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# West Europe Report

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14 November 1985

## WEST EUROPE REPORT

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POLITICAL

AUSTRIA

MOCK ON POLITICAL SCANDALS, NEED FOR CHANGES

Vienna PROFIL in German 26 Aug 85 pp 23-24

[Interview with Austrian People's Party Chairman Alois Mock, by Franz Ferdinand Wolf: "Decency Is Lost"]

[Text] [Question] Now Austria is having an international career over the media as a "scandal republic," is that not so?

[Answer] That is SPIEGEL terminology. I shall not join the abuse of Austria. Yet what has been happening recently is bad enough. The sense of decency, which must be sought in a democracy as an essential virtue, is lost.

[Question] Why and when?

[Answer] With all respect for Bruno Kreisky as a person, while he was in charge, political culture declined. Everything became subject to relativism. Applauded by the public one would say the opposite one day of what had been formulated the day before. They would be saying, with praise: He surely does not always tell the truth, but how he does it--that is magnificent. Others, being straightforward and correct, fell by the wayside. The second reason lies in the concentration of political, financial and bureaucratic power in a country where the state exercises an enormous concentration to begin with. A typical example of it is the AKH scandal.

[Question] The round of scandals ranges from AKH via Rabelbauer of WBO to the wine scandal. Something evidently went awry in political ethics.

[Answer] Political ethics indeed no longer have the importance they once enjoyed. This is also indicated by the fact that now hardly anyone is ever ready to resign when errors were committed. I say errors on purpose; it does not even have to be illegality. The last one to have resigned for reasons of political conviction and responsibly was Education Minister Piffl-Percevic. Since then all who should have resigned have stayed on: Luetgendorf, Androsch etc. This is what is so annoying about our political system compared with other democracies. A Lord Carrington who resigned after the Falkland War, an English minister who lost his budget speech but recovered it before it got into the media and before something happened, or a state secretary in Rhineland-Palatinate who resigned in connection with the wine scandal, all of this shows that, elsewhere, stricter yardsticks are applied.

[Question] Still, the Austrian People's Party is proudly helping along such internal policy ethics. An example: the immunity of your party colleague Governor Siegfried Ludwig.

[Answer] Contradicting my earlier view, I must say the governor was perfectly correct. He brought action in five cases where he intended to act as a witness under oath. The trials are being delayed systematically. Only one case has now been decided in his favor. He has said, and it is true, that he appears when summoned. In that connection, too, it is a unique case of an incumbent minister of justice to get indicted for slander and the case not being finished. Let alone the dubious figure of chief prosecuting attorney Otto F. Mueller, who simply is not the man who can reflect the reliability of a constitutional system.

[Question] No matter what, the governor, in contrast to any plain citizen, has evaded justice. That precisely is what undermines the credibility of politics.

[Answer] Naturally, but this involves the basic question of immunity. I acknowledge immunity as a means which permit one to act as freely as possible in the political arena. The fascinating question is: where are the boundaries of this immunity? That is as tough as questions of political responsibility, which make me uneasy when they are not posed properly.

I certainly was in favor of restricting immunity--relative to civil service authorities, for instance. This has given rise to due criticism and was also then done away with. But what happened with regard to chief prosecutor Mueller convinced me that immunity is necessary, in the sense of protecting political minorities against the governmental power machinery.

[Question] That is all very well, but the moral picture of the Austrian People's Party is not as glowing as you describe it: WBO, Ludwig, Rabelbauer, the wine scandal, speaker support by deputy Gorton.

[Answer] I did not draw a glowing picture of the Austrian People's Party because there is no political party at all that does not commit errors. The question merely is, however, whether or not self-policing abilities are being mustered. There are enough examples of the time when the People's Party ran the government. When errors were made, consequences were drawn from them. Now the Socialists have had the major responsibility for 15 years. But if the party top echelon acts as has been the case in the Luetgendorf arms deal, the telephone bugging, at the AKH, and all the stuff relative to Mrs. Leodolter, to quote just a few things, the whole system is brought into discredit. The public, after all, does not differentiate; there they say: that's the way they all are.

We are aware that we have made mistakes too--such as in the case of the Landtag deputies of Vorarlberg and Burgenland [Interviewer: Deputy Walter Renner of Vorarlberg got a prison sentence of 3 years and 2 months last year for heavy fraud, WBO boss Ernst Rauchwarter got an 8 1/2-year prison sentence.] But in this case, consequences were drawn. There are even cases where



consequences were drawn and afterwards, it turned out that they were uncalled for: the resignation of the Burgenland deputy governor Sauerzopf. Then one thinks that actions which were taken might have been all too precipitous.

[Question] This you can make up for, can't you, at the new elections for the Burgenland party chairman in fall.

[Answer] Only, it is not so that, with all the deficiencies in intra-party democracy, people are dropped and then reappointed, as the media's public opinion would have it.

Opportunity lies in the decentralization of power, not in avoiding all errors --this always only means promises; that everything becomes better is an illusion. But through calling for decentralization, we grant power a better way to handle the controls. There is a greater chance of course also from the point of view of our value system. I am of the opinion that this reaches all the way into our educational system. You only have to be brave enough to see the educational system not only as a system that dispenses knowledge but also as one that provides the pupils with a body of generally accepted values. Afterwards, as an adult the student can decide whether he wants to hold on to this value system or whether to choose different options. That leeway has to be provided by democracy. As a party we must also be consistent in all of these matters, because people do have a sense of what is correct and what is not.

[Question] What then is to be done concretely to fight against this Balkanization of Austria, which could be fatal in terms of Austria's international status?

[Answer] One approach lies in the reform of ideas. This is a difficult and lengthy process, but must be done. A second approach is institutional reform. The decentralization of power must finally be pushed ahead. The state has a state-socialist tradition anyway, and now has 15 years of a Socialist government to boot, plus a vast sector under state control. We must finally strengthen controls--from the state treasury to the controls over large projects. It will depend on both of these, however, because 15 new laws and a few new commissions won't do it.

[Question] Your part of events colleague Helmut Kohl has succeeded with the "political-moral turn," even if little of it has remained-- remember Flick. Is this also going to be your election formula?

[Answer] No, this must be a formula for all parties in order again to repair in years to come our country's highly stained reputation.

[Question] Calling for cleanliness and correctness, however, has not exactly been a successful program for the Austrian People's Party in the past.

[Answer] This to me is secondary. The most important thing in politics, to me, is to do what is right, the second most important thing, to win elections. External, statistical, success is legitimate. One fights for it. But



capturing power cannot be the best yardstick for all I do. You must do what is right, and then there is the risk you will not be recognized because you did not present it properly or because the political climate is different. This is easily said, of course, and is bitter when the time comes, but this is the only way it can go in a democracy.

5885

CSO: 3620/3

POLITICAL

BELGIUM

SCHILTZ ON POLITICAL, ECONOMIC FUTURE OF FLANDERS

Brussels KNACK in Dutch 4 Sep 85 pp 19-20

/Text/ In a book which appeared this week, Hugo Schiltz pleaded that the Flemings use their majority in a positive manner.

The moment has come to terminate all fruitless discussions. In the decades after the Second World War, the Flemings have won the fight for their threatened identity. Now it is time to look further. The Flemings must consider the question what they are going to do with the majority which they have won in Belgium. "Choices must be made, and the solutions which develop, must resist the test of time."

In the sober and objective style which is characteristic of him, Hugo Schiltz has written a book in the election period, as many politicians have done. The political world obviously has much to tell the citizen around 13 October. It is to Schiltz' credit in this that he certainly has not written an election pamphlet. The references to 13 October, to political events of the previous months are present, but they only serve to illustrate several situations which the author discusses, mostly then by way of example of how it must not be.

"Challenge to the Flemish Majority" (Soethoudt and Co Publishers) has become in that sense really more of a sort of program for Flemish long-term policy. What must Flanders do to better utilize its economic power? How must Flanders become a modern democracy? How can Flanders play a significant role in the concert of nations?

The way which Schiltz outlines for Flanders is one full of frequently not simple options and choices, but with continuous emphasis on the peculiarities of our people. The present powerless majority, as the author calls it, must stop always only being against something. Schiltz criticizes the Flemish

politicians at the end of the sixties who allowed various parity clauses to be included in the constitution, so that the French speakers could freeze Belgian political life at any time desired. For it suffices that they threaten with that not to participate to make the country ungovernable. According to Schiltz, the Flemish politicians must work up the courage to begin a test of strength with the French speakers and even say no once.

Schiltz certainly does not advocate a policy of revenge. The relationship with Wallonia must be based on a well understood and objective solidarity. Flanders must use its power in an adult way. For the revenge idea is emotionally charged and politics must be founded on reasonable ideas and not feelings.

For that matter, the chapter which the Flemish minister devotes to the state is remarkable. Schiltz is not an opponent of the idea of the state. Consequently he does not advocate the reduction of the state, but, on the contrary, more state. Let it be not in scope, as he explains in detail, but in quality. The credibility of the state must especially be restored: instead of an appointment machine, the state must again become just. It must protect the citizen against the abuse of power.

Schiltz declares that not all Flemings are obviously impressed with the idea that power can be used justly. Although a distinction must be made thereby between the correct use of democratically acquired power and the blind exercise of power. The manner in which the Flemish administration was rather completely manned with officials of one party after the constitutional revision of 1980 is clearly a model for Schlitz of how it should not be done. Schlitz deplores, "politics still means in our country shameless grasping for power." We must still learn to be real democrats for in a democratic state in the true sense of the word, all sections of society and consequently even the minorities get their opportunity in a natural way.

#### Conscience

On the economic level, the Flemish Minister of Finance and Budget advocates a third way between liberalism and collectivism. He shows himself to be a supporter of a new consensus between capital, the social partners and the government, in which the concrete situation in which we live is taken into consideration. The government thereby gets the role of arbitrator, government which--as the author points out--besides plays an active role everywhere in the world in industrial activity, not the least in superliberal countries such as Japan and the United States.

The author starts from the principle that a simple agreement between employers, trade unions and government must be possible. An agreement in which it is accepted that making a profit is not obscene and that there must be discipline in an enterprise, but also that the employee is not there to be exploited. In a country where the educational level is so high, as in our case, according to Schlitz, the employee may not be treated like a child.

Hugo Schlitz also seizes in this book the opportunity to defend the trips which he took as a Flemish minister. For he clashed regularly with the Ministry of Foreign Relations which thought that Schlitz encroached on their territory abroad. Schlitz explains he did not intend to take the place of the central government. But because it must operate nationally, it cannot represent the specific needs of the various regions. He writes, "for that matter, if even municipalities can conclude foreign contracts, why should communities not be able to do that? The Flemish community has authority over its economic expansion, over some aspects of its foreign trade, and so forth. That involves the possibility of also concluding foreign agreements in those areas.

As regards East-West problems, Schlitz advocates that Flanders should have a special function of its own, somewhat like Pierre Harmel in the sixties championed an independent Belgian policy toward Eastern Europe. But Flanders cannot do without Europe, because Europe is the escape from our smallness. Consequently we must bring Europe closer together, in which Prague and Budapest should not be forgotten. Therefore Flanders can be a sort of go-between for the blocs, can contribute to ending a situation in which only doubting the sense of the division of the world into two camps is a crime. Schlitz frankly says the peace movement is right, when it declares the insanity of armament must be stopped, as well as the Greens' concern about the environment, according to him, stirs up our conscience.

Schlitz, the modern politician, holds up to us a Flanders which may not be any (Bokrijk) but also does not need to be any Manhattan. Therefore the pragmatic politician wants to begin with the beginning; namely to daringly take advantage of all the opportunities which the state reorganization of 1980 offers us. That can finally be a small step further on the way to Flemish independence.

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POLITICAL

DENMARK

HELVEG PETERSEN, RADICAL LIBERAL PARTY CHAIRMAN, PROFILED

Copenhagen BERLINGSKE TIDENDE in Danish 14 Sep 85 p 5

[Article by Ole Dall: "Niels Helveg--the Radicals' Dribbler"]

[Text] A profile of the Radical Liberal party chairman for whom the job settlement went badly about a year ago but who today is in a strong position in the little party with big influence. Tax reform, rejection of nuclear power and increased foreign aid are "in the bag."

"How could they do such a thing!"

The remark was directed at neither parties nor politicians. The Radical Liberal party chairman was actually thinking of the Danish national soccer team's having had it out not too long ago with their arch rival with a 0-3 result.

Niels Helveg Petersen does not like failure in either soccer or politics. On the field--he plays on the Academic Soccer Club's veteran team--and in the political game at Christiansborg he dribbles full speed ahead to get results. Politically he plays offensively in the middle of the field where he struggles hard to get the game to go smoothly.

"It is characteristic of him that in political negotiations he is creative and looking for results. This is definitely not old-fashioned negotiations where each side remains in his own camp. It is a question of finding solutions. He has a great sense of humor as well, and his many quick and sharp remarks help to lighten the negotiations," says Finance Minister Palle Simonsen (Conservative), who has had Helveg-Petersen as opponent not a few times at Christiansborg.

The 46-year-old party chairman has come to belong to the "veterans' team" at Christiansborg, too. From 1974 to 1977 he was a Cabinet Head for the Danish EEC commissioner. But otherwise he has had a place in the Radical Liberal Party's Folketing group since 1966.

When Niels Helveg Petersen came home from his EEC job, he was very enthusiastic that the Social Democrats and the Radical Liberals should be



working together. The two parties did enter into a series of compromises, but the distance between them on economic policy became an unbridgeable gap in the summer of 1982, and the social democratic government handed over the reins.

Since then the four-leaf clover government and the Radical Liberals have cooperated closely on economic policy, while Niels Helveg and Co. together with the Social Democrats and the left wing have conducted resolution warfare against the government over security policy.

At the national convention the radical liberal party chief will be able to claim that a number of radical liberal causes have been pushed through under the present government. The tax reform came in with a broad majority, the revenue policy has been maintained, nuclear power has been eliminated from energy planning and agreement has been reached on increased foreign aid.

Niels Helveg Petersen thus has good cards to lay down. On the other hand, last fall was politically stormy for him. He made a poor showing of the so-called job settlement about offers of education and lower rates for the chronically unemployed. The settlement was only cursorily put together when the party chief went on a month-long study trip to the United States. A radical liberal revolt broke out, and the settlement was renegotiated by other radical liberal members of the Folketing.

The TV2 matter is the hottest issue at the radical liberal convention, but on this point Niels Helveg Petersen will presumably keep a low profile and leave the entire decision up to the delegates. He is a member of the party's media committee, who unanimously have said yes to commercials, although with a large number of conditions.

While in the corners, Social Democrats have begun to talk about Anker Jorgensen's possible successors, Niels Helveg Petersen appears almost untouchable as party chief. He has become much better at the important job of presenting the party's views on television. Before, it could appear, for example, as if Helveg felt that he was personally responsible for the Danish national deficit! Now there are more smiles and more self-confidence about his media appearance.

A return to close social democratic-radical liberal cooperation does not seem to be something that the radical liberal party chairman is turning over in his mind just now. The new social democratic program--"Auken's bulletin board"--has not impressed Niels Helveg Petersen. In the economic area, he still lacks confidence in the Social Democrats.

How could they do such a thing, Helveg seems to be thinking...

12819

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

STUDY SHOWS SWING VOTE TREND DETERMINING 1986-1987 ELECTIONS

Duesseldorf WIRTSCHAFTSWOCHE in German 13 Sep 85 pp 136-144

[Analysis by Wolfgang G. Gibowski, analyst at Forschungsgruppe Wahlen e.V., Mannheim: "Ties vs. Mood"]

[Text] On the FRG political scene, far-reaching changes are occurring. Wolfgang G. Gibowski analyzes the three Landtag elections of this year and provides a preview of the 1986 Landtag elections in Lower Saxony and the 1987 parliamentary elections.

Power is seldom lost through elections. The history of the Federal Republic demonstrates this point. When it does come to a change in government, it is generally because of a change in coalition, both on the federal and Land level. It is, therefore, all the more significant that this year, the SPD succeeded in toppling an intact CDU-FDP coalition government. This is only one sign that, possibly, strong upheavals are occurring on the FRG party scene which--after the three Landtag elections in 1985--may overthrow traditional ideas in the next election in Lower Saxony next year, and even in the parliamentary elections in 1987.

In all three Landtag elections this year, the parties' shares changed relatively sharply (see tables). In analyzing such results, election research distinguishes between two groups of determining factors: on the one hand, orientations valid in the long term; on the other, topical political influences whose significance may vary in respect to the attitude of individual voters.

Being a part of a certain social class, or the existence of religious ties, respectively, guarantee a base of votes, particularly for the two people's parties, CDU/CSU and SPD. In this, the number of voters with long-term stable party affiliations by far outnumbers the potential swing vote. According to pilot calculations, for every two voters with long-term stable party inclinations there is one swing voter, who needs a very strong political impulse to change his vote. The share of constant voters for CDU/CSU and SPD generally constitutes 80 to 90 percent of the party's votes. In the case of the FDP it is much lower, however, with about 40 to 50 percent, and it is usually even lower for the Greens.

There are a number of political influences on voter attitudes which may lead to a change in party affiliation. Past and present experience speaks for the supposition that the personal element dominates. The "right" subjects remain ineffective if the "wrong" man extols them, i.e., a politician who is either considered incompetent of dealing correctly with the subjects, or who is not considered trustworthy to solve the problems addressed.

Furthermore, in the case of a Landtag election, the national political mood will have a lasting influence on the chances of the local parties. The political, low into which the CDU/CSU has dropped nationwide, is shown by all political indicators. Satisfaction with the performance of the federal government (measured on a scale of plus 5 to minus 5) dropped from 1.0 in April 1983 to 0.2 in February 1985, and after the elections in North Rhine Westphalia even plummeted to minus 0.2. In August 1985, the lowest rating so far was reached with minus 0.3.

In contrast, the political mood in favor of the SPD keeps growing. It does not get rave reviews in its opposition role, but since mid-1984, the trend is toward better ratings than for the government. Latest ratings in August: plus 0.6.

Simultaneously with a deteriorated performance rating of the federal government and a drop in favorable ratings of the chancellor, from the viewpoint of those polled, the CDU/CSU is increasingly losing competence to solve satisfactorily the country's most important problems. At the time of the parliamentary elections in 1983, the federal government headed by the CDU/CSU, in the opinion of those polled, had an enormous advantage in competence in the most important subjects, namely "fighting unemployment," "reduction of national debt," "stimulating the economy," and "safeguarding pensions." In March 1985, just after the elections in Saarland and Berlin, capability of fighting unemployment and safeguarding pensions--the two most important subjects at the time--were seen, by a slight majority of those polled, in a government headed by the SPD rather than by the CDU/CSU.

In the Berlin elections, the CDU could make up for its nationwide disadvantages through its top candidate, governing mayor Eberhard Diepgen. Over-all, he was rated very much higher than his opponent, Hans Apel. Furthermore, in contrast to the nationwide trend, the CDU was considered better capable of fighting unemployment than the SPD.

In the Saarland, the local CDU/FDP government was rated lower (0.4) than the SPD in its opposition role (1.1). The Saarland CDU did not succeed, in the person of its top candidate Werner Zeyer, in compensating for the disadvantages of ratings for the government performance on a national and Land basis.

There are indications that the CDU and FDP perhaps missed an opportunity in the North Rhine-Westphalia elections. Performance ratings of the SPD government in 1985 were far lower than those of the SPD government of 1980

(at that time, a rating of 1.6 of all those polled, and 3.4 of all SPD adherents). However, the CDU was unable to use for its own purposes the criticism indicated in this drop. It would have required an attractive alternative to incumbent minister president Johannes Rau, and Bernhard Worms could not fill that requirement. The supposition that Kurt Biedenkopf would not have been a better alternative is supported by the weak ratings (2.3) he received from CDU adherents.

Before elections--and this must be taken into consideration in predicting the outcomes in Lower Saxony and nationwide--the chances of the FDP, and also of the Greens, are much more difficult to judge on the basis of polls than those of the CDU and SPD. Among CDU and SPD followers, traditional voters predominate, while in the case of the FDP and the Greens it is potential swing voters, and they are particularly subject to their moods during interviews with poll takers.

When it is a question of moods and sympathies, the FDP fares less well since the switch in Bonn than it did with votes at the ballot box; the opposite holds true for the Greens. This is due to the fact that in the marginal areas between CDU and FDP, and SPD and the Greens, respectively, there are increasingly tactical votes in order to attempt to influence the makeup of the government after the elections. The effects of tactical voter attitudes can be decisive for the FDP and the Greens. If tactics become a subject of parties and media in an election campaign, depending on the starting position, the decision on the election result will be made only shortly before the walk to the ballot box.

This held true for the Liberals in Berlin where the issue was to keep a majority for a CDU/FDP coalition. It found its expression in a "bourgeois" citizens' initiative in favor of the FDP, unparalleled until then.

The FDP election result in North Rhine-Westphalia was touched least of all by tactical considerations. The FDP was not needed as a coalition partner in the largest state because CDU adherents, for a long time, were no longer convinced of their party's victory. Although the FDP election result in North Rhine-Westphalia was the lowest, it was also especially valuable for the Liberals.

In explaining the election results of the Greens, the emotional and political closeness to the SPD of potential voters is of central significance. In contrast to some grass roots resolutions and some functionaries, a majority of potential Green voters had shown for some time that there was an inclination toward cooperation with the SPD.

During the week before the Landtag elections in the Saarland and North Rhine-Westphalia, over 60 percent of those intending to vote for the Greens at that time were of the opinion that after the Landtag elections, the Greens--if it was possible on the basis of the election results--should form a coalition government with the SPD and also have cabinet ministers. Another 30 percent were for cooperation with the SPD without



direct participation in the government, and only about 4 percent favored forming the opposition.

Willingness to vote for the Greens, therefore, depends on how great the SPD'S chances are to form a government by themselves, and how cooperative the party acts vis-a-vis the SPD. If SPD chances of forming a government by themselves are as low as they were in Berlin this year, the Green's willingness to cooperate as a party plays a minor part--and the chances of good election results for the Greens increase. If, instead, a possible success of the Greens endangers the otherwise good chance that the SPD may gain a majority, the cooperation will of the Greens as a party will decide whether, in the last analysis, potential Green voters will vote for the Greens or the SPD. That was exactly the situation in the Saarland and in North Rhine-Westphalia, because in both states the SPD made it credible that it could go it alone. For this reason, potential Green voters decided to consider the chance of a stable SPD government more important than the representation of "Green" policy in the Landtags.

A comparative study of all three Landtag election results this year shows that the Berlin result is an exception, while the results in the Saarland and North Rhine-Westphalia reflect the over-all national situation, especially that of the CDU/CSU.

Landtag elections are important for the citizens, but not quite as important as parliamentary elections. For this reason, a switch in a Landtag election comes more easily than in a parliamentary election. Moods and emotions play a greater part in a Landtag election than in a national parliamentary election, in which the ties of social structures influence more strongly the decision for one party. The election results in the Saarland and North Rhine-Westphalia indicate protest against Bonn policies and the intention to teach an object lesson to the CDU ruling the country.

What conclusions can be drawn from this for the upcoming Landtag elections and the parliamentary election in 1987? Of the three Landtag elections next year, only the election results in Lower Saxony (probably in June 1986) are considered uncertain. In Bavaria and Hamburg, with elections in the fall of 1986, anything other than an election result in favor of the present governing parties would be a sensation. The election result in Lower Saxony, by contrast, is much more open.

The good showing of the CDU in the 1982 Landtag election with 50.7 percent (SPD: 36.5 percent, FDP: 5.9 percent, Greens: 6.5 percent) at first seems to speak against this assumption, especially since the CDU would have a coalition partner in the FDP, if necessary. But the structures of Lower Saxony are not at all as favorable for the CDU as the election result seems to indicate. Lower Saxony is not a "Catholic state" (ratio of Catholics: 19.6 percent), so that the large proportion of rural, small-town and medium-size urban living areas are more favorable for the CDU than the SPD, but voter attitudes toward the CDU are not anywhere near as stable as in comparably structured agrarian, small-town areas of Bavaria, for example, where religious denomination is decisive for the CDU/CSU. For



this reason, the majority position of the Lower Saxon CDU in 1982 is not based on the state's social structures, but is an expression of the political mood favorable to the CSU at that time, before the turnaround.

But meanwhile, the political mood of FRG citizens has undergone a thorough change. Lower Saxony is one of the few FRG states where the majority position alternated several times between the CDU and the SPD. It is also unusual that in this state, in Landtag and subsequent parliamentary elections, there could be differing majority positions. Both are indications that the share of the potential swing vote in Lower Saxony is large enough to decisively influence an election result toward one side or the other.

If a Landtag election were exclusively a matter of state politics, then the chances of the CDU, or the CDU and FDP, respectively, would not be bad at all. Of special advantage to the CDU is the fact that it goes into the election with the highly respected minister president Ernst Albrecht, and that Gerhard Schroeder, the SPD candidate, cannot show any government experience, despite his good qualities.

The chances of the SPD would therefore increase if national politics were included in the Landtag election campaign, and if the national political climate remains unfriendly toward the CDU. Even then, the SPD would have to make up for the weight of the incumbent minister president.

While the trend for the FDP, after the three successful Landtag elections this year, continues to point upward, the trend for the Greens points in the opposite direction. Furthermore, the Greens' good election result in Lower Saxony in 1982 (6.5 percent) was also helped by the weak SPD position at that time. An SPD which, as in the Saarland and North Rhine-Westphalia, can make it credible that it needs all votes to the left of center, could become quite dangerous to the Greens in Lower Saxony. For the showing of the Greens it could also be disadvantageous that the regional structure of the Greens' election successes has changed increasingly during recent years. While in earlier years the Greens achieved good results in rural areas in particular, in recent times its focal point lies in service sector centers with an academic background, which are rather scarce in Lower Saxony.

Taking into consideration all the factors, the bottom line speaks more for a CDU/FDP coalition government after the election rather than for a takeover by the SPD.

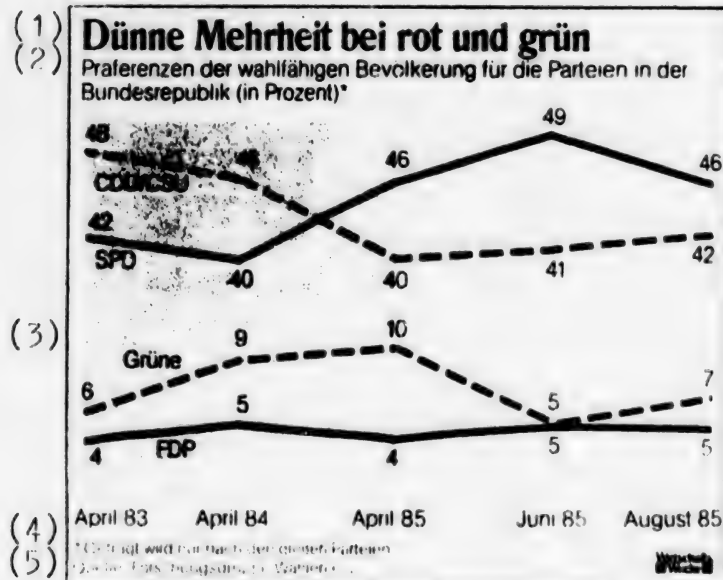
And what are the prospects for the parliamentary election in January 1987? --Even a short time ago, no speculation would have been needed to answer this question. The up to now firm stability of the election results and the great lead of the coalition in the last parliamentary election (55.8 percent versus SPD with 38.2 percent, and Greens with 5.6 percent) were probably perceived as a sufficient cushion by everyone. But the low opinion of the CDU/CSU and its chancellor, which has lasted a long time, and the government's continuing loss of capability in fighting unemploy-

ment and ensuring pensions--the two most important problems of the time--have changed the prognoses. True, long-term ties to a party are of greater weight in a parliamentary election than in a Landtag election. This is more in favor of the CDU/CSU than the SPD, since the former is the structural majority party. But can a party rely solely on social structures? The most recent election results indicate that voters have become more impatient and want to see success, particularly in the problems that they consider most important. Fighting unemployment has noticeably developed into the central problem, whose high material and symbolic significance becomes increasingly more valid even to those whose jobs are assured. The government's shifting to political fields of secondary and tertiary importance cannot, therefore, provide lasting relief for the CDU/CSU-FDP government.

The showing by the parties will, however, also depend on the evaluation of the top candidates. And here we see a clear decline of Helmut Kohl, and a better showing by the SPD's most popular politician, Johannes Rau. It is particularly important what ratings politicians get, not only from their party adherents but, above all, if they are also attractive to sympathizers of the opposition party. In recent months, Kohl's evaluation by friend and foe alike has become progressively worse. At the beginning of this year, on a scale of minus 5 to plus five, Kohl was rated by CDU adherents at 3.1, and by SPD sympathizers at minus 1.0. Meanwhile, the ratings by CDU/CSU adherents have dropped to 2.3, those by the SPD to minus 1.9. By comparison, in August Rau received a positive rating of 0.5 from CDU/CSU adherents, and a rating of 3.3 by SPD adherents, which leads to the very good total rating of 1.7, while Kohl's slumped to minus 0.2.

In a parallel development, preference for the SPD is now clearly higher than that for the CDU/CSU (see tables), in which, however, only the mood is captured. If there were parliamentary elections now, the election result would be more favorable for the CSU/CDU. But even the idea that in the 1987 parliamentary elections, for the first time in FRG history, a power switch without a coalition change could be possible, shows how in voter decisions, the emphasis on religious and social ties has shifted to political factors of influence.

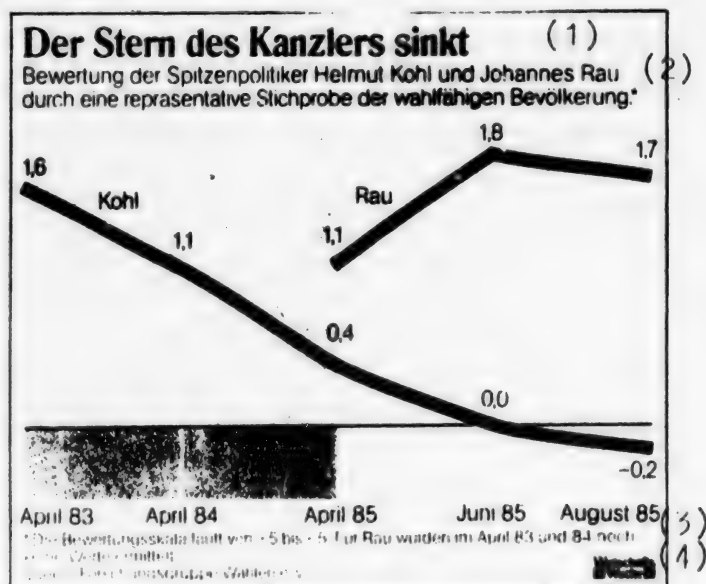
Table I.



Key:

1. Slim majority for Reds and Greens
2. Preferences of eligible voters for parties in the FRG (in percent)\*
3. Greens
4. \* Only the large parties were polled
5. Source: Forschungsgruppe Wahlen e. V.

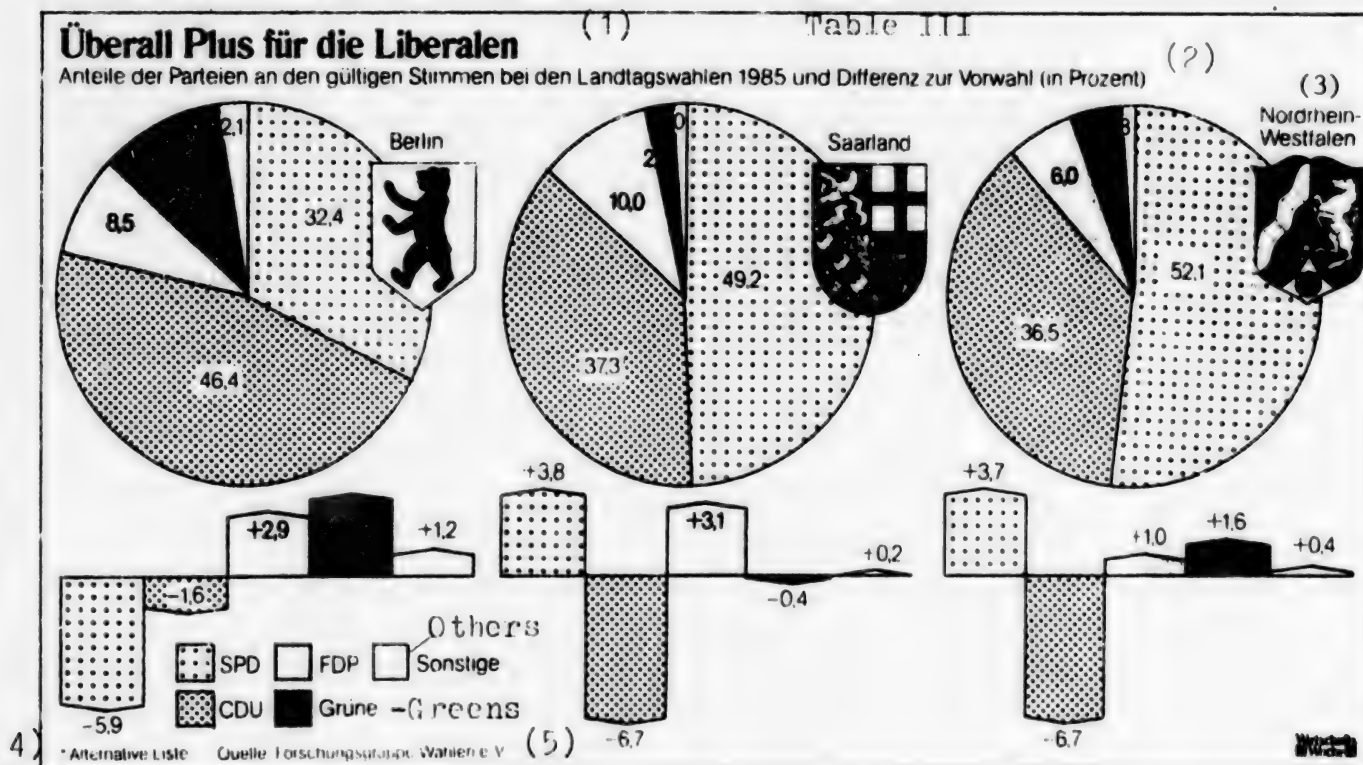
Table II.



Key:

1. The chancellor's star is falling
2. Ratings of top politicians Helmut Kohl and Johannes Rau through a representative spot poll of eligible voters. \*
3. \* The rating scale goes from +5 to -5. No ratings were polled for Rau in April 1983 and 1984.
4. Source: Forschungsgruppe Wahlen e.V.

Table III.



Key:

1. Everywhere a plus for the Liberals
2. Parties' share of valid votes in the 1985 Landtag elections, and changes from previous election (in percent)
3. North Rhine Westphalia
4. Alternative list
5. Source: Forschungsgruppe Wahlen e.V.

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POLITICAL

FRANCE

JOSPIN ON ELECTIONS, PCF, NATIONALIZATIONS

PM141437 Paris LIBERATION in French 5-6 Oct 85 pp 9-11

[Interview with PS First Secretary Lionel Jospin by Eric Dupin and Jean-Michel Helvig--date and place not given]

[Excerpts] LIBERATION: Has the Greenpeace affair not shown, among other things, the difficulty which the socialist government has in controlling the state apparatus, at least some parts of it?

Lionel Jospin: Look at the other democracies, in other words the countries in which the political authorities and the state apparatus are sufficiently open for it to be possible to judge the way in which they function.... Look for instance at the United States, the FRG, Japan, Britain, and Italy.... Think of a number of affairs or problems which have arisen in recent years.... You will see that the problems of "control," as you put it, exist in those countries too, and sometimes to an even greater extent.

LIBERATION: Has your "political morality" not been damaged by the affair? After all, according to the prime minister, it was a socialist who gave the order to sink the "Rainbow Warrior...."

Lionel Jospin: There are mistakes, blunders, or "affairs" in the life of states. If they surprise those in government it is precisely when they are an "administrative accident," and the sign of a temporary breakdown. Political morality is at stake if the mistake is not admitted and exposed, but if instead an attempt is made to justify or conceal it. That was not the attitude taken by the state authorities in France. They condemned what happened, sought the truth, and punished those responsible.

LIBERATION: Leaving aside phenomena of political fashion, are not the left's traditional values in decline?

Lionel Jospin: The reality is less straightforward and more complex than that. The crisis, problems in city life, and imperfections in or caricatures of our policy have produced phenomena of tension, corporatism, isolation, or fear of others. But at the same time new values or attitudes are emerging--a desire by people to take control of their own lives, and these are not conservative values and attitudes. I feel more creativity in France. And I am struck by the young people who have a much greater capacity for autonomy than the previous generations.



LIBERATION: Do you still have major structural reforms to offer the country?

Lionel Jospin: It is in the world that the most sweeping and urgent reforms are necessary: tackling the Third World debt head-on, restoring an international monetary system, and balancing trade. On another level, the advance of freedom in the Eastern-bloc countries would change the face of things for Europe. But none of this is going to happen overnight even if we socialists must exert an influence in that direction.

In France, although the aspiration to major reforms is not the mood of the day, we can envisage a number of areas of progress for the new parliamentary term: elements of tax reform, progress in the financing of social protection, reducing state bureaucracy, and changes in methods of managing enterprises (to ensure that the workers have a part in it).

LIBERATION: Even in the private sector?

Lionel Jospin: Yes. Aside from that we must implement the reforms which have already been adopted. Decentralization must not only apply to 30,000 local elected representatives, and similarly the Auroux laws must not be applied only to 10,000 trade union cadres. They must become the property of all. In 1981 and 1982 Pierre Mauroy talked on the base of change. It must not be the base of a statute but rather a plowshare. We must now plow deeper.

LIBERATION: Will there be no new nationalizations?

Lionel Jospin: We must demonstrate above all that the nationalizations carried out are economically effective and socially positive. And that the right's plan to call them into question is unrealistic. We may carry out other nationalizations later. But, at all events our socialism is not collectivization. Its aim is not the general appropriation of private capital by the state. This solution is dead in the West. The president of the republic said that we are acting in the framework of a mixed economy the balance of which we want to gradually change.

LIBERATION: Is this a middle-of-the-road socialism?

Lionel Jospin: I prefer it to the capitalism of extreme injustice!

LIBERATION: Are you not disappointed in the lever of change which the nationalizations were supported to be?

Lionel Jospin: As regards economic dynamism, there is no disappointment. There certainly is with regard to social change.

LIBERATION: When are you going to consider the problem of your future alliances since proportional representation makes alliances essential for government?

Lionel Jospin: It is not true to say that proportional representation makes it impossible for a party like the PS eventually to have an outright majority in France. In the Western democracies where proportional representation exists, several socialist parties are in a position to govern alone.

LIBERATION: The German Social Democrats were nonetheless forced to govern with the Liberals, which caused considerable problems for them....

Lionel Jospin: When that is the only problem we have we will have made progress.

LIBERATION: Meanwhile how many votes do you need to govern?

Lionel Jospin: How many do the RPR and UDF need? If the opposition won the parliamentary elections, it would not be capable of governing since Mr Barre and his supporters would not give a vote of confidence.

In reply to your question, I will say first that the PS must have the best score. Second, I will remind you that 1986 is bound to be a battle between Right and Left, and that the PCF leadership will be faced with this situation. For the time being it is hitting us harder than the Right. The more credible the possibility of a right nongovernment [as published] the more the PCF and its leadership will be faced with the old dilemma of the choice between Left and Right. It will all depend on how the French people vote and how many votes the Socialists win.

LIBERATION: So you do not want to clear up this problem now as Michel Rocard is proposing?

Lionel Jospin: Yes, I certainly do. I disagree with Michel Rocard's document on three aspects of this question of alliances. The first is that he does not clearly discuss the president's role if we are forced back into opposition. However, the president would remain and we would fight at his side. The second is that Rocard thinks the PCF problem is solved. In my view the communist leadership's present attitude is not a new strategy. It is simply a return to an old strategy--that of 1977-1981--which it was incapable of following in 1981 and until 1984. And I do not rule out the possibility of this leadership, which is more dogmatic than confident, being forced to change again when the time comes for the communist voters to choose between Left and Right.

The third disagreement relates to the question of the majority in 1986: on the pretext of offering guarantees in exchange for an opportunist about-face by the Socialists after March 1986--a supposition which is not very nice--the document in fact describes the contract of alliance with the Right which is deemed illicit. I prefer to concentrate my resources on achieving a Socialist victory in the next elections.

LIBERATION: In any case the PCF is a declining force which would not be strong enough to make a majority....

Lionel Jospin: That is why we are no longer discussing the left-wing union in the same terms. I am not dismissing the PCF but I have no expectations of it. We supported the union singlehanded, and perhaps the time has now come to be socialist singlehanded. We must start offering the prospect of uniting the essential left-wing forces in the PS. And with regard to the Communists, the presence of [PCF dissident] Henri Fiszbin on our lists [of elections candidates]--which I suggested--is a first sign. My aim is to make the PS the big left-wing party, even if it means changing to do so, and this is a factor in modernizing French political life. Modernity is not always to be found where you might think.

LIBERATION: Do you think the PCF's decline is irreversible?

Lionel Jospin: Yes, unless its policy can be changed. I think the Stalinist type of communist model is historically doomed. And I do not think the present PCF leadership is leading this party in the right direction. It is not with negative talk, antisocialist practice, and fringe actions that the PCF will regain ground. Counting on a PS defeat to regain a healthier position, while ignoring the Right's plans is the "politics of destruction," to talk like Georges Marchais.

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CSO: 3519/16

POLITICAL

FRANCE

LAJOINIE REPORT AT PCF NATIONAL CONFERENCE

PM240820 Paris L'HUMANITE in French 14 Oct 85 pp 17-20

["Extracts" from report delivered by PCF Secretariat member Andre Lajoinie at 12 October opening session of PCF National Conference in Nanterre: "Increasing the Communist Vote"]

[Excerpts] Five months before the general and regional elections, the prospects of this important electoral event dominates French political life.

Voting Communist means casting a useful vote to prevent the Right from returning to power and to prevent it from cohabiting with the PS, which could only prolong the current disastrous policy.

Voting Communist means rallying in favor of a new prospect for the country, in order to emerge from the appalling impasse in which people would like to trap the French people.

The preparations for the next elections fall within the framework of an accelerated exacerbation of the reactionary character of government policy.

The positive measures which were adopted in 1981, with our help, have been robbed of their content.

This is true of the nationalizations, both in large industrial enterprises and in the banks. Under the government's impetus, these public groups are increasingly behaving in the same way as private trusts.

It is also true of the laws which were passed to extend the rights of workers in enterprises. There have never before been so many attacks by the employers on workers' rights, repressions against trade union activities, or attacks on the dignity of men and women, with the government's complicity.

As in the time of the Right, the police forces have been unleashed against the workers. The socialist minister of labor himself admits that he has never granted so many authorizations for redundancies of protected personnel.

As for the laws of decentralization, their application has gone astray because of the policy of stringency and the inadequacy of the state financial transfers. But where the stringency policy has the most dramatic consequences is in the sphere of employment, purchasing power, and people's living conditions in general.

Everyone was able to see recently, on the occasion of Mikhail Gorbachev's visit, how the president of the republic refused to allow France to participate in negotiations for a balanced reduction in nuclear arms in Europe and the world.

Proposals leading to this direction have been made by the neutral European countries, the nonaligned countries, and the Soviet Union, and the significance of these proposals has been universally acknowledged.

The fact that negotiations must bear first of all on the arsenals of the two biggest nuclear powers should not exempt France from playing a positive role in promoting these negotiations, which should take all those proposals into account.

Francois Mitterrand, who congratulates himself on having played an important part in the installation of American nuclear missiles in Europe, should remember that it is not enough to place a rose on Jean Jaures' tomb in order to exert influence in favor of humankind's most precious asset: peace.

The alignment of the president of the republic with the Bonn declaration, calling into question the borders fixed by World War II in Germany, like the PS leadership's declarations according to which "the mission of the French deterrent should be extended to European space," are particularly disturbing, because they call into question the foundations of our security and our independence.

The attack on the workers is massive. But there is no choice. To submit without reacting is to exacerbate it. That is why the Communists are helping to rally manual and intellectual workers on the objectives and forms of action which they define together in order to secure positive results.

They do so, because it is their *raison d'etre*; they have no other ambition than that of defending the people for the present and future.

These struggles, even when limited to their protest objectives, constitute an essential element of the rallying of the people in order to impose different choices from those of capital.

Of course, these struggles do not automatically lead to Communist votes and to an awareness of the overall solutions to be applied. But they create more favorable conditions for promoting the idea that things can and should be done differently.



That is why at the same time as it gives its support to struggles and to rallying people to obtain positive results, the PCF must explain that things can be done differently from the existing policy, and that the means of promoting this new policy is voting Communist, to get things moving and open up different prospects.

It has been proved that the austerity policy, whether pursued by the right or by the Socialist government, is the same poison which makes the rich richer and the poor poorer and leads to economic waste, job losses, and unemployment, and this is bound to increase our foreign deficit, because essential branches of industry, which help satisfy the country's needs, are being decapitated, and this is making us dependent on foreign countries.

Without placing these both sides on the same plane, this observation of the harmful effects of this policy, whoever implements it, is obvious.

The argument put forward by Laurent Fabius and hammered home by government propaganda, according to which this policy was necessary to the modernization of the economy, is losing credibility, because you do not modernize by destroying whole enterprises--modern enterprises, for instance, engineering enterprises, which are precisely those called upon to modernize.

So how can this country's leaders justify their policy other than by repeating, as Chirac did before them, that we are beginning to see a light at the end of the tunnel? Francois Mitterrand is giving a new version of that by stating that "France is winning." But the real situation is obstinate and the crisis is growing worse under the effects of these policies.

So people are returning to the old refrain which has always been used by conservatives to make people give in: "There is no alternative."

But history has shown several times that it is possible successfully to "do things differently" from what the privileged classes want. Moreover, according to a French Public Opinion Institute [SOFRES] opinion poll, 62 percent of French people do not believe that it is impossible to follow an economic policy different from that pursued by the present government, and the same opinion poll shows that a majority of people support the Communists' view that: "The crisis is not inevitable and that it is possible to reduce unemployment and increase purchasing power if there is a will to do so."

That is why Laurent Fabius only wants to have discussions with former prime ministers, who support this austerity policy all the more strongly because they followed it themselves. This is the purpose of the debate he has just decided to have with Chirac--who has just declared himself a candidate for the post of Francois Mitterrand's prime minister--during which each will take care to seem to oppose the other in order to conceal their real areas of agreement.

Is this sidestepping not an admission of their fear of seeing the possibility of a different policy for France demonstrated to the French people?

Yes, in fact, it is possible to overcome this situation by voting Communist!

This is shown in practice by the objectives which the Central Committee is proposing for adoption by our national conference with a view to submitting them to the French people to clarify the vote they will have to cast next March.

The aim of this document is not to give a general explanation of the PCF's entire policy. Our 25th congress did that by analyzing the class content of the crisis, by proposing anticrisis goals, and explaining our plan for a French brand of socialism.

In order to find a way out our congress proposed resisting the crisis and changing society by building a new majority people's movement, designed not as a tool for exerting pressure on political leadership but, much more than that, as a people's movement capable of promoting change at all levels of society.

To attain this objective, our congress demonstrated the need to "rally people to action to solve the problems facing us and also to wage with conviction and dynamism all the election battles to win Communist votes."

And the congress added that: "The Communist vote in every election is a decisive precondition for progressing toward a solution to the crisis and toward a change in society."

The objectives which we are going to submit for the French people's approval by voting Communist strive to reflect the essence of our congress. They are defined in accordance with the aim of the two polls in March: to elect deputies and regional councillors.

The essential part of the text focuses on the parliamentary elections--a section relates to the regions--because it is a matter of giving a verdict on the policy implemented by the government.

With this document we want to show that a different policy is possible because we are and will remain a government party and aspire to run the country's affairs.

We are therefore putting forward proposals for parliamentary and government action, on the understanding that we are ready to cooperate with other political forces to demonstrate their efficacy.

We are proposing a different policy for the country, the implementation of which also implies the development of people's initiatives, the action of deputies and a different line in government policy.

As the conclusion of our draft document states: "Our proposals are not general ideas or empty promises, but specific, practical, realistic measures. They all presuppose choices different from the present ones."

Voting Communist is the means of promoting them and taking action for their implementation.

The document lists in 12 points a series of objectives which together form the new policy which France needs.

The first series of objectives we are proposing for the voters' approval concerns the great popular and national concern with the need for new economic growth to enable all those men and women who so desire to have a stable and skilled job.

It has been proved that it is possible to bring about an economic recovery to meet the needs, outlets, and possibilities which exist at national and regional levels with useful products and services.

Without wishing to close borders and, instead, seeking fruitful cooperation, this new growth requires us to give priority to defending our national products, as other countries do, to reject the decision to dismantle industries taken in Brussels and elsewhere, to combat the export of capital, and to take a decision to win back the domestic market.

As the document proposed by the Central Committee states, there is money for this necessary growth, and there is a great deal of money, which is at present squandered in foreign speculation, on the stock exchange, and in investments which can bring in more than 25 percent in annual revenue.

That is why we are proposing that the workers and deputies be able to monitor the use of funds, ensuring that resources are used effectively for training, employment, production, and services.

Modern machines do not necessarily lead to a reduction in jobs; they should ease men's work, encourage more skilled activities, and ultimately support and develop employment.

The second series of objectives proposed to the French people aims to improve purchasing power and ensure that people live better in a more just society.

A whole series of measures are proposed for improving social protection, with family allowances of Fr700 per month per child, starting with the first child, maternity leave increased to 6 months, an improvement in prevention, an increase in social security refunds, the improvement of hospital resources, and medical research to ensure that everybody's right to health care is respected.

Also with the aim of improving people's lives, one of our objectives is to increase security, showing that it is possible to make real progress by taking action in three directions at the same time: prevention, deterrence, and also punishment.

Also with the aim of improving people's lives and preparing for the future with young people, the draft document proposes an education system aimed at successful for all.

This necessitates developing and modernizing public education and ensuring that real pluralism, the contemporary form of secularism, flourishes in it.

Still on the subject of young people, the draft document sounds the alarm by saying: "Stop sacrificing young people."

This is not putting it too strongly, because massive youth unemployment, lack of training, job insecurity, and low wages are not the choice of young people but a grave injustice imposed on them which jeopardizes their future and that of the country.

That is why the draft document proposes replacing the Useful Community Work scheme with stable jobs, demanding that young people are hired at the same rate as people retire.

The third series of objectives is aimed at ensuring increasing freedom for individuals, more freedom in enterprises, institutions, regions, and departments, holding the view that this is necessary to ensure that people take control of their affairs and thus help bring about a recovery in the country.

The draft document takes a resolutely attacking line on this major question, proposing progress in freedom and human rights.

First, in enterprises where an authoritarianism and repression from another age prevail with the government's complicity, we are asserting inviolable rights and freedoms for the workers, which must be respected.

The same is true at the level of society as a whole, where bureaucracy must be combated.

This applies to decentralization in regional councils, which must have more real powers to act and not be screens between the population and the real decisionmaking centers.

It applies to plans for information and communication, which must be liberated from domination by the state and by finance and in which pluralism and honesty must be defended.

It also applies to the Fifth Republic institutions, which result in power being concentrated in the president's hands and where a far-reaching and democratic reform is urgent and necessary.



In the same spirit we are proposing practical measures for developing each region.

Since the voters will have to elect the regional councils on the same day they vote in the parliamentary elections, they will also have the opportunity to support our proposals which aim to allow the workers, the population, their trade unions, and their associations to express their views and ensure that their interests prevail in the regional institutions.

The fourth series of objectives is aimed at action for an independent France in a more fraternal world and at stepping up the struggle for peace and disarmament.

On all these questions specific proposals are being made, and they advocate a workers' Europe, opposing any supranational measure and advocating an end to the process of expanding the EEC, which, as a recent SOFRES opinion poll confirmed, a majority of French people, especially young people, regards as a bad thing for France.

There are also practical proposals for the broadest possible cooperation with all countries, without exception, on a mutually advantageous basis.

Similarly, with regard to the country's security, we are demanding that the all-round deterrent force not be extended to European defense or integrated into NATO, and therefore remain a national force.

The problem of underdevelopment and famine in the world gives rise to constructive proposals aimed at taking action to promote a new world economic order, progressing toward the cancellation of the Third World debt and the allocation of 10 percent of military spending to combating hunger.

These are viable proposals, as is the one on promoting respect for human rights throughout the world, especially by implementing the UN sanctions against South Africa.

Finally, and this is not the least important point, the draft document takes care to warn voters of the great danger posed by the buildup of nuclear arms on earth and the threat of seeing them deployed in space with Mr Reagan's star wars plan.

We say that real wisdom lies with pacifists throughout the world.

We are asking the government to take a clear stance against star wars and to start by canceling state aid to French firms participating in that project. We demand that the Eureka project not form part of the American space war plan, that its aim instead be scientific and technological development, and that its application be civilian, being open to cooperation with all countries.



In view of the urgent need, we ask the government to encourage and participate in all negotiations for progressing toward gradual, general, and monitored disarmament, asking for a freeze during these negotiations on all research into the militarization of space and all deployment of new missiles in the East and in the West.

These proposals which relate to peace and disarmament are likely to rise above differences of opinion and social differences, and rally a large number of peace-loving French people, who are bound to approve of objectives which are so responsible and so vital for mankind's survival.

It is obvious that if these proposals are to prevail, they must be carried by a powerful people's movement, which, ultimately, always decides everything.

In this connection it is time to draw conclusions from our recent experience.

Everybody remembers that in 1981 the PS, with the help of the bourgeois media, successfully asserted the idea that, to defeat the Right and implement a better policy, it was necessary to readjust the balance on the Left in its favor. That was what was done, ensuring PS hegemony at the same time as the weakening of the PCF.

Today everybody can see that this change in the balance of forces has not been a good thing either for the workers or for France, since the Socialist government has made the employment situation worse and increased capital's advantages to the detriment of the purchasing power and living conditions of the people's masses.

It is obvious that if the PS had not had an absolute majority and had had to count on the Communist deputies' votes, it would not have been able to ignore our criticism of its austerity policy and would have been forced to take into consideration our proposals, which, as we have seen, correspond to the interests of the people and the nation.

The PS' search for hegemony considerably weakened the people's movement, in which the main element is the PCF's strength and influence. And at a time when the forces of capital stepped up their pressure to prevent their privileges from being affected, this weakening of the people's movement enabled the PS to go back on its pledges and anticipate the objectives of the financial powers in drawing up their policy, and that was bound to aggravate the crisis.

Consequently the idea of the need to adjust the balance in favor of PS hegemony in order to defeat the Right and implement a better policy failed since in fact it led to the implementation of a right-wing policy and gave the Right a chance to regain power because of the discontent and disillusion created by this policy.

With the new electoral system there can be Communist deputies virtually everywhere, which was not the case with the old system, which led communist voters not to vote for their own candidates, who were put at an unfair

disadvantage by the electoral system. All Communist votes will henceforth count, whether they are cast in the most remote village or in big cities.

The votes which will be cast for the list of Communist candidates in the parliamentary and regional elections will therefore be the only useful votes for serving the interests of the people affected by the crisis.

The PS, for its part, hopes to launch a rehash of its 1981 campaign on the Socialist vote as the "only useful" vote for obstructing the Right, whereas it is the PS which is preparing the way for it.

Of course we did not conceal the weakening of the PCF and its negative effects on the progressive movement in this country.

But the situation shows that this phenomenon is not inevitable.

First, this is not the first time in its history that the PCF has suffered setbacks--and this one is probably not the most serious--in the bitter class struggle waged in the country and at the international level.

Second, a close examination of our voters shows that the 4.5 million Communist voters who voted for Georges Marchais in the 1981 presidential election have not gone to the Right or to the PS. According to the opinion polls, they are still communist voters, some of whom are still not voting because they are disappointed by the Socialist Government.

Moreover, those who left us in 1981 to vote Socialist feel they have been deceived and some are talking of voting Communist again.

Finally, a number of the new voters who have reached voting age between 1981 and 1986 have already decided to vote Communist and many who are disorientated can be won over to support our dynamic and attacking action.

The PCF, a government party, is always prepared to support any step forward.

It did state at its congress that it refused to participate in the government in order to implement a policy which favors the privileged classes.

That is why it left the Socialist government, in order to not support this policy, not with a view to withdrawing into isolation but to help the workers struggle and unite.

But at the same time, the PCF stated, and Georges Marchais solemnly reaffirmed this, that it was still ready to participate in government with other political forces, particularly with the PS, to implement a different policy making it possible to find solutions to overcome the crisis.

Thus the PCF does not think it is inevitable that the Right will regain power and that the PS will enter "cohabitation-cum-cooperation" with it in 1986. We think that a different prospect is possible.

But there is one essential precondition for that, and that is a massive vote in the forthcoming parliamentary and regional elections.

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CSO: 3519/15

POLITICAL

GREECE

ND POLITICAL BUREAU: RELUCTANT CHANGES

Athens I KATHIMERINI in Greek 12 Oct 85 p 1

[Excerpt] On 11 October, New Democracy's Parliamentary Group [KO] elected its six members who will participate in the party's Political Council [PS]. At the same time, by decision of Mitsotakis, Ath. Kanellopoulos was named parliamentary spokesman, and Ath. Tsaldaris general secretary of the Parliamentary Group. Aside from these and the party's president, the ND Political Council is composed of the following six elected members from the KO: A. Samaras, I. Kefalogiannis, N. Kleitos, S. Kouvelas, G. Sourlas and G. Tzitzikostas.

Out of a total of 111 deputies, 106 took part in yesterday's voting. Missing were former Prime Minister G. Rallis, who has been in Kerkyra since 10 October, and Mikh. Papakonstandinou, Io. Stathopoulos, Kon. Tsiouplakis and V. Polydoros who are all abroad on parliamentary or party missions.

At any rate, it is believed the result of the voting, by itself, reduces even more the ND Political Council's importance because:

1. There was a great number (29) of ballots cast by deputies opposed to the change in the Political Council's makeup from its traditional form (with the participation of elected people instead of the objectively leading cadres, as the more "experienced and distinguished").
2. The degree of acceptance of the candidates, or of the six winners, is considered exceptionally low since, out of a total of 106 votes, the front-runner (A. Samaras) collected only 39 votes, while the person in sixth place (G. Tzitzikostas) got only 17. This means that 67 deputies did not approve of the front runner as a PS member and 90 did not approve of Tzitzikostas. It is noted that just 15 days ago, at the election of members of PASOK's Executive Office, it had been called unprecedented that the new members were not accepted by one-third of the Central Committee members, on an average. It is also pointed out that, while in that election, all those nominated and elected received the votes of at least half the PASOK Central Committee members, in yesterday's voting, absolutely none of the candidates even approached that point.

9247

CSO: 3521/5

POLITICAL

GREECE

BRIEFS

DEMOCRATIC RENEWAL: STEFANOPOULOS' ENTOURAGE--Democratic Renewal is the new party. K. Stefanopoulos is the party's president. But who are its people? We do not mean the deputies, but those who worked to create the party. Let us look at them one by one. Its political advisor, and principal author of various decisions, was a journalist known for his analyses on Greek foreign policy. Suggestions on youth issues and organizational matters were made by Dimitris Tsingounis, mayor of Leonidion and a New Democracy cadre. Issues involved in establishment and finding a building had been undertaken by the engineer, D. Konaxis, from New Democracy's EKO [expansion unknown] of engineers. The new party's emblem was created by Khristos Moskhandreou, minority leader in Zografos Municipality and a cadre on New Democracy's Local Self-Government Committee. The same person led Kostis Stefanopoulos to the well-known photographer, Manos Axarlis, for his official photographs. D. Andonoglou created the Finance Committee and took steps to find the first money needed for the party's operation. It is coming from ND's EKO of merchants, of which he was president. By contrast, K. Khristidis, an economist and KEPE [Center for Planning and Economic Research] official, helped in planning an initial model for a financial policy. A. Lykourendzos, an ONNED [Youth Organization of New Democracy] member who succeeded in bringing a large part of ONNED along with him, energetically acted in creating a youth agency and planning a student faction. Along with these people, many others helped, each, less or more, in his own way. All together there were more than 100. [Text] [Athens ENA in Greek 12 Sep 85 p 15] 9247

CSO: 3521/3

POLITICAL

ICELAND

COLUMNIST ON LEFT PARTIES' MEETINGS, LATEST OPINION POLL

Reykjavik MORGUNBLADID in Icelandic 8 Oct 85 p 9

[Commentary by Staksteinar: "Things are Happening in Iceland"]

[Text] Things are happening in Iceland, that is to say, in Icelandic political life.

A wave of criticism swept over the leadership of the People's Alliance Party at a meeting of the party central committee held over the weekend.

The national congress of the Social Democratic Alliance, held the same weekend, ended in great disagreement. The four members of the party Althing delegation twice broke down into two opposing groups.

A new public opinion poll indicates a loss in popularity for the Social Democratic Party.

There is no news, however, about the coalition parties. Regarding them, people are speaking widely of a reshuffling of the government. There will be news about this in the days following.

These are the issues that Staksteinar will discuss today:

--A Lack of Democratic Operating Methods

The leadership of the People's Democratic Party had to endure harsh criticism at the party central committee meeting this weekend. The party chairman and the party leadership were censured for a lack of democratic operating methods, inadequate policy delineation and a lack of understanding of current expectations and methods.

The discontent that emerged at the meeting has long simmered below the surface in the People's Alliance and has found its expression in the flight of former party supporters. No end is yet in sight for this flight.

Party Chairman Svavar Gestsson had led the People's Alliance Party into great difficulties. These have occurred for years at times of endless earthquakes, upheavals and disaster; in fact as it happened at the party CC meeting.



The party chairman is doing everything he can to tie up all loose ends, a very great number of them, in the party administration before the party's national congress, which will take place shortly. Urgent effort is being made to construct a kind of Potemkin Village to be shown to the people when the time comes.

#### --Disagreement upon Disagreement

Another opposition party, the Social Democratic Alliance prepared for the opening of a meeting of its so-called National Committee during the weekend.

However, there was massive disagreement at the meeting, no less than was the case with the People's Alliance. The so-called opposition group had far more interest in airing their disagreements--and to make a lot of noise about them--than they did in resolving them.

The following events of the meeting may be mentioned:

--The meeting organizers resigned from the Social Democratic Alliance.

--The chairman of the National Committee resigned his post in the party secretariat.

--There was no agreement on when the next Social Democratic Alliance congress should be held.

--The four members of the party Althing delegation twice divided into two groups in votes on major issues. An RUV [expansion unknown] spokesman even went so far as to speak of two Social Democratic Alliance MPs in the Althing this winter.

We will not go into too much detail here on the psalms that were sung at the National Committee meeting of the Social Democratic Alliance. Other manifestations of human relationships than concord and harmony were more noticeable.

There was much news--both of the People's Alliance and the Social Democratic Alliance--during the beautiful autumn week just past. There was certainly no calm among the major political parties.

#### Is the Government Strengthening its Position?

Judging from the public opinion polls, the Social Democratic Party, which had smooth sailing during the first part of the year, is losing ground rapidly. The Progressive Party is not doing well in the polls. But not every party can do so since all are competing for the same following.

It has been an established fact that those hoisting the burden of government come off worse than those who do not have to worry about others in their actions. The opposite has, however, been proven true for the People's Alliance, which has lost following as an opposition party, and for the

Independence Party, which is doing somewhat better than just simply holding the field, in spite of its participation in the government.

Things have by no means been absolutely quiet in the Independence Party, rather to the contrary. Many things have been in ferment within it.

The government has achieved considerable success, first and foremost in cutting inflation, in a high rate of employment and in public restraint. It thus enjoyed considerable popular support in the older polls.

Things have been on the slide most recently. A new round of inflation threatens and new problems have emerged. Support for the government has fallen somewhat--and there is a certain foreboding about dark clouds on the economic horizon.

Judging by popular feelings, the demand of the people is more for a reshuffled government than a government of a new sort. The opposition parties are still less trusted than the government. Even the People's Alliance, which was able to hold its position for a while, is now on the slide.

These popular feelings have been grist in the mill of the Independence Party, although they have caused the ship to roll a little. What will happen in the future remains to be seen.

But things are happening in Iceland, political things, during this beautiful autumn, a joy to the eye. Hopefully we--the Althing and the people--will be able to proceed cautiously into the future.

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POLITICAL

ICELAND

COLUMNIST VIEWS POLL RESULTS SHOWING CONTINUED SDP DECLINE

Reykjavik MORGUNBLADID in Icelandic 2 Oct 85 p 9

[Commentary by 'Staksteinar': "Social Democratic Party Loses Lead"]

[Text] Social Democratic Party Going Downhill

The Social Democratic Party [A] is again on the decline after Party Chairman Jon Baldvin Hannibalsson succeeded this winter and spring to pull the party up from great apathy. It came forth in a Hagvangu opinion poll in July that the Social Democratic Party is losing its foothold and a recent DV poll also indicates that. According to both these polls, it seems that the Independence Party [SJ] is on the offensive. This is the topic of 'Staksteinar' today.

Social Democratic Party Loses Courage

The Social Democratic Party has lost its courage and Jon Baldvin Hannibalsson is rapidly lowering the sails; and shortly after he was voted chairman of the party in a historical election, many people predicted that he had little endurance. It seems like these predictions are now coming true. In a Hagvangu poll that was published here in MORGUNBLADID July 17, the Social Democratic Party lost 5.3 percentage points. The party received the support of 16 percent of the people polled; in May of this year the party's support was 21.3 percent. An opinion poll published by the DV last Monday confirms that the Social Democratic Party is now fighting an uphill battle and its support earlier in the year showed that there was fish in the sea but the party did not catch it.

It comes forth in the DV poll that the support for the Social Democratic Party has decreased considerably as it is now 14.5 percent compared with 19 percent in June of this year. Only those who took a position, or less than half of the people polled, are counted. Despite the fact that the majority of the people polled did not take a position or refused to answer, the poll does give some indication of the development of the support for the parties in previous months.

It cannot be denied that Jon Baldvin Hannibalsson was moving fast in the beginning of his term as chairman, perhaps too fast. It is possible that the voters realized this because the chairman's words and grandiloquent statements have little content and he has not offered any realistic alternatives.

#### No Victory Celebration

Only two of the political parties have added support, according to the poll, the Independence Party and the Peoples' Alliance [AB]. The Progressive Party [F], the Social Democratic Alliance [BJ] and the Women's List [SK] lose support in the DV poll compared to the DV poll that was conducted in June of this year. The two first mentioned parties should, however, not hold a victory celebration. This differs from the Social Democratic Party which loses considerable support whether those who took a position or the sample as a whole is used as a base. In the first instance, the Social Democratic Party received 14.5 percent compared to 19 percent, but in the latter poll Social Democratic Party received 7 percent compared with 10.8 percent in the June poll.

If the position of the Independence Party is observed, it shows that the party loses support; 128 of 600 people polled said that they supported the party, or 21.3 percent. In the June poll, everything else being equal, 23.3 percent supported the Independence Party.

The Independence Party does, however, gain from how many do not take a position or refuse to answer, or 51.8 percent. The party therefore seems to be on the offensive and gains 3.4 percentage points. Added to this, as has been proved, is the fact that the Independence Party always makes out much better in the polls than it does in the elections.

Much the same can be said about the People's Alliance as can be said about the Independence Party. The People's Alliance gains 0.8 percentage points when the whole sample is taken into consideration. This increase in support cannot be viewed as great, especially when it is taken into account how wide the margin of uncertainty is in the study.

The DV poll does not at all cast a new light on the position of Icelandic political parties among the voters. It is, however, food for thought for the politicians to contemplate why so many voters as the figures show are undecided, if the DV poll is reliable.

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POLITICAL

NETHERLANDS

VAN DEN BERG, BUKMAN VIEW CHANCES OF LABOR PARTY

Amsterdam DE TIJD in Dutch 23 Aug 85 pp 6-9

[Article by Ton Oostveen: "Max van den Berg versus Piet Bukman"]

[Text] According to the Partij van de Arbeid [Labor Party] the future belongs to everyone. For one more time the strong are called on to champion the cause of the weakest.

But how much solidarity is left in the no-nonsense-society? While the party chairmen of the PvdA and the CDA, Max van den Berg and Piet Bukman, emphasize their differences, Joop den Uyl is allowed to map out the road to forming a coalition. Hopefully it will work out alright.

For one more time Joop den Uyl will pull the cart in the direction of the opposition.

The Labor Party is a moderate, reasonable and civilized club.

It the PvdA strives for cooperation and accuses the CDA and the VVD of fostering polarization.

That is why the voters next May have to force (the government) to involve the PvdA in governing the country.

Thus the voters have to make the PvdA a more influential party.

But: not too influential because then, Joop den Uyl won't be able to handle the party.

Gloomy prospect

Without a doubt Joop den Uyl is a courageous man. At age 63 plus, his years do not keep him from making himself available to Dutch politics, and for no less than four busy years. For the seventh time, he is competing in the name of his party for the voters' favor in the hope that afterwards he will head a cabinet for the second time.



In so doing, he takes the great risk of once again ending up on the opposition bench for a four-year term: "I do have the feeling," he said in Amsterdam on Saturday, "that there are a couple of things that have to be done, to which I want to devote myself perhaps with only limited power or with somewhat greater power."

Limited power. The opposition bench would be reduced to impotence and hand-wringing. This is not desirable. Still, that gloomy prospect looms forth should the PrdA next year not get enough votes, but oddly enough, that same prospect also looms forth should the party get too many votes. Should the PvdA and other left-wing parties fail to take away a sufficient number of votes, especially from the CDA (and the D '66 from the VVD), in that case, CDA and VVD will sustain their parliamentary majority and the present coalition will simply be continued.

But should the PvdA gain too much support, and opinion polls indicate this possibility, then it will be very questionable whether the CDA will be willing to play a minor role in a new coalition. The party doesn't feel like playing second fiddle to the PvdA, as chairman Piet Bukman expresses it.

That is why it is in the interest of the PvdA to put limitation on its growth. Otherwise the party could become, so to speak, an albatross around Den Uyl's neck.

To force a choice

After presenting the party election platform "The future belongs to everyone," Den Uyl traveled to Nicaragua for political reasons and for vacation, to join his wife Liesbeth who awaited him there. In the meantime, in the Hague, the chairmen of the CDA and the VVD both voiced their rejection of Yoop's extended hand.

Until Monday evening it seemed quiet within the PvdA. There was no passionate resistance on the part of radical forces to the realistic middle-of-the-road course.

According to party chairman Max Van den Berg, there is no cynical carping at the moderates: "Our task is to offer an alternative to current government policy and in order to do that we must develop concrete policy lines. And thus we cannot take a moderate course. The CDA and the VVD, however, have made it so totally obvious that they want to continue governing together, that we must offer the voter a clear choice.

Only the voter can force one of those two parties to govern in a coalition with us. If the voter doesn't do that, then those two will continue together. That is the choice that is before the voters."

Max van den Berg doesn't have any illusions. He doesn't doubt that the CDA and the VVD will continue to govern even if their parliamentary majority is minimal, and the PvdA clearly becomes the largest party: "And that would be most unfair."

Question: And if the PvdA does not get that majority?

Answer: I am of the opinion that the CDA, even in that case, would only negotiate with us, if it is clear that even the Staphorst variant [reluctantly forming a coalition with a small christian party] will not work for them. That is why we need a substantial victory.

Question: Unless D '66 emerges and supports you.

Answer: We have had some rather bad experiences with them (the D '66 party). After all, they are the ones that put the CDA into the saddle and pushed us off of it. I am very skeptical about that.

Question: Would the PvdA not fracture if the party becomes too large?

Answer: In a normal relationship with the CDA that might be a possibility. But that is not how it has been for a long time. We are not dealing with the CDA and the VVD as separate entities. I can only see them as a single entity. Therefore, we have to become much larger in order to withstand that entity.

Question: Are they one and the same?

Answer: CDA-chairman Bukman dismisses this picture resolutely. He says: "Of course it is in Max van den Berg's interest to paint a picture in which the PvdA has only one opponent. That opponent is a right-wing party called CDA/VVD. But he, in his position, knows enough about the CDA and the VVD to recognize the differences. There have been enough very fundamental parliamentary debates to know that. It is, therefore, a lot of nonsense to consider us as being one and the same. The VVD and we have worked together in great unity, which is very gratifying. But to suggest a political fusion is cheap.

Question: Still the CDA and the VVD were very quick to dismiss the [PvdA] party election platform. What actually are you dismissing? The platform or the PvdA [party]?

Answer: The platform, of course. It concerns policy. I do not dismiss the PvdA in any way. I only emphasized that we are in favor of continuing with current policy, and we are looking at the PvdA election platform in that light. In doing so, I don't see policy continuity."

Question: Would you go so far as to opt for the Staphorst variant over cooperation with the PvdA?

Answer: I won't go into that.

Question: Van den Berg is pretty sure that you might.

Answer: We want a cabinet that can have the support of a clear parliamentary majority. The Staphorst variant is like living on charity. That is not what we are after.

Question: That would mean: serious negotiations with the PvdA.

Answer: The parties must always take each other seriously. Should the election results make current policy continuation based on parliamentary majority rule impossible, then other discussions will have to take place. But that doesn't mean that the result of such discussions, with the PvdA for example, will suit us. One must not in any way automatically connect us to the PvdA because the PvdA and the VVD don't want to work together.

Question: But perhaps you can take the D '66 party into the coalition?

Answer: Also in that case current policy continuity will be our goal.

Making eyes at the CDA

The conversations I had at the party bureaus at the Nicolaas Witsenkade in Amsterdam and in the Dr. Kuyperstraat in the Hague, make one thing very clear: we might have a tri-political party country, but there are only two policy options. Either the policy option of Lubbers or that of Den Uyl.

At their Saturday press conference Den Uyl and Van den Berg positioned themselves carefully.

Van den Berg: "In the past eight years things have happened which were detrimental to our country. We don't hold the CDA and VVD responsible for that eruption of unfavorable events, but we do hold them responsible for the manner in which they reacted to them. They reacted in a rather cynical manner, whereby only the strongest were able to survive the crisis. Thus a new proletariat was created. Regardless of what lively internal debate there might be within the PvdA, we will never accept this division in society."

And Den Uyl: "Our platform goal is not primarily to criticize the policy currently being followed, but rather to call attention to missed opportunities (...) Our platform offers a different atmosphere. We have gone back to the idea of creating the just society, so dear to socialists. We keep learning and we are not ashamed of it."

It looked like [Den Uyl] was making eyes at the CDA. The more so since Den Uyl himself had dropped the theory that the CDA and the VVD were one and the same as far as PvdA was concerned: he had looked up for a moment, pleasantly surprised, when within the VVD the Polak Commission came forth with new policy recommendations which looked good. "But the VVD itself buried these recommendations as soon as possible," according to Den Uyl, who saw many more possibilities in the CDA platform.

Although, according to Den Uyl, the CDA has fallen short in putting the amount of money that goes with the good intentions. And the ball was thrown back the other day, when the PvdA was accused of always claiming that there are enough funds, and painting too bright a picture of what it can do.

### "Gigantic" difference

The cardinal points of the PvdA platform are a strong push for a shorter workday; the reinstatement of a linkage between social benefits and wages; and an increase in unemployment benefits to 75 percent together with an extended period of benefit assistance. In this way, one is less likely to need welfare so quickly.

Piet Bukman: "As far as the socio-economic sections of the PvdA platform are concerned, this platform is more realistic than the previous one; but on the linkage part and the increase in benefit percentages, the PvdA places itself in the opposition.

In order to realize this linkage, the PvdA departs from the principle of stabilizing purchasing power. But what are they going to do when there is upward pressure and people want to spend more? I hope it won't happen, but if it does, the austerity goals of the PvdA will be undermined. It isn't quite clear to me yet how they want to realize the benefit percentage plan. They are rather non-committal.

However, I don't see the great socialist alternative in these points that the PvdA loves to talk about. And I ask myself: why did they fulminate so much against the current policy if they swallow it for the most part?"

Question: Well, for the most part. Those socialist intentions, according to the PvdA, will cost 2.5 to 3 billion. That's not peanuts.

Answer: I'm afraid that their estimate is too low. I expect, however, -- while I don't hope for or condone it, -- that the business sector wants an expansion in purchasing power. If that happens, three billion won't be enough. But that figure will also have to be compared with the austerity measures of the current cabinet, which total 30 billion. In that case the PvdA is tinkering with but a small part of those austerity measures.

Max van den Berg, a couple of hours earlier, on the same point: "That 3 billion-program is fundamental, and that is the crux of it. The essential question remains: are you going to make funds available for benefit recipients, or are you accepting austerity measures even if the measures hit them the hardest? That is a policy choice, which makes a gigantic difference with respect to the current policy, certainly in the event that economic growth is disappointing.

If Bukman is going to tell us this afternoon that those plans cannot be funded, then I find that impertinent. After all, the funds saved through

austerity measures by the CDA/VVD aren't in the treasury, but have been spent. So the kitty is empty. We will have to start saving all over again. That we will do where and as much as possible.

Bukman on this topic: "To me it is no more than a topic for conversation. Hasn't the PvdA always sparred with her socialist alternative? Well, they don't offer that alternative. They cannot completely reverse the policy, I know that just as well. But they aren't even making an attempt. Thus, in not making the attempt, they actually belatedly declare themselves to be in agreement with our policy."

#### Solidarity overestimated

Question: Van den Berg insists that you must only look at the funds involved for the plans. The difference between CDA/VVD and PvdA lies in how poverty is divided. He aims at more solidarity among people. It concerns social conscience.

Answer: We already have demanded so much from wage earners and have had them pay so much into the collective sector entitlement programs that an enormous grey and black circuit has been created. Everyone can see that. I think that Max van den Berg credits people with having a greater stamina than I do. People are just walking away from the burdens of solidarity.

Question: Van den Berg calls that view cynical.

Answer: He can think what he likes, but I have noticed that the grey and black circuit is beginning to grow just when a greater demand is being made on people's solidarity. Reality may not be raised to a level where it becomes the norm, but you should not lose sight of it either. And the reality is that there are limits to solidarity. The willingness to contribute more is simply not there, so: don't put all your eggs in that basket.

Question: Don't you think that shortening the workweek to 32 hours in 1990 is realistic?

Answer: It is an urgent need which you will also find in the CDA's platform. But it is impossible to regulate the ATV from the Hague. You shouldn't commit yourself to such a general point, but allow room for all kinds of variations, so that it can be implemented wherever possible.

Question: If this is not centrally regulated, little will come of it: the ATV until now has come forth with few replacements to fill vacant jobs in the workplace. Doesn't this disappoint you?

Answer: Yes, a little. It didn't go as well as we thought it would. But I can understand that the firms first want to have a healthy financial recovery. It takes time to get replacements to fill vacant jobs.



The atmosphere of the 70's

Question: The PvdA wants to reward those firms which rapidly institute re-hiring programs by offering them tax deductions.

Answer: Difficult, you know, difficult. How does the PvdA want to do that? That sounds to me like centralized government at work. The atmosphere of the 70's.

Question: The PvdA also has in mind an approximately 8 billion investment plan, which would particularly benefit firms which promote employment.

Answer: But then you would be distributing funds again just as a government would, by playing the great ruler. A noble intention to be sure, but it is again an action directed from the top. We know Den Uyl does things like that from the days when he was Minister of Employment and came up with those job-plans. It is a way of thinking which typifies the Social Democrats. That's allowed, of course. But we view the positive effects of those measures somewhat differently.

Question: You can also say: it is the expenditure of the same funds, funds which now go to the firms in a different way. Those are also investment premiums.

Answer: Yes, but what it comes down to is the fact that the PvdA wants to economize by depriving firms of such funds. Would you call that stimulation of the economy?

Question: I am talking with the CDA chairman, am I not? And not with the chairman of the VVD?

Answer: Oh, no. VVD chairman Kamminga will react quite differently to the PvdA plans, I think. We don't say: let matters take their course. We do say: the PvdA is giving the government responsibilities which do not belong to the government, but rather to an organized society. Thus: firms ought to work together in the development of job opportunities, the responsibility for education lies with the parents, the responsibility for public health lies with the appropriate establishments. That is how I would like to summarize our program.

Question: The PvdA is very much aware of this, and has come much closer to the CDA.

Answer: I see that also. I admit that. But that doesn't mean that I have to go and embrace the PvdA.

Connecting Vats

Back to Max van den Berg, who can rest assured in his conviction that the CDA does not yet like the PvdA. According to him, the PvdA is aiming at an idealistic platform but in a realistic setting, totally different from the platform of the "cynical" government coalition.

For example: redistribution of employment is necessary from the point of view of fairness, and benefits everyone's emancipation. In order to achieve this, people must turn in their gross-earnings. Many can just not do that any longer. To maintain their purchasing power you will have to levy lower taxes and lower premiums. And that you can do: because when more people are employed, the need for benefits declines, and then the social welfare premiums can also come down.

A willingness to work less and to earn less is influenced negatively by the feeling that such austerity is an unfair economic practice, and by the fact that very little has come of the re-employment. A not unreasonable reaction.

Van den Berg: "We have to break through this trend. We must turn this trend around. We are mobilizing public opinion to convince the public that with a different government a shortened work-week can lead to re-employment. Arithmetically calculated, we see 100 percent re-employment in government, 50 percent in industry but we are hoping and aiming for a higher percentage.

We want to reach this goal through a system of connecting vats: by skimming off subsidies and fiscal benefits in those firms that re-employ below their capacity and by stimulating firms that through our investment plan cooperate in the redistribution of employment.

The same goes for the employees: if they don't push for re-employment, but press instead for wage increases, then we can also skim their taxes and premiums. It simply comes down to this: apply the costs of an unfairly ruled society to those who should pay it. That is how we handle the doubts of people who believe that all efforts are leading nowhere, anyway."

#### Cultural gap

Question: That I don't understand at all. You portray a split in society. Haves and have-nots. You blame the egoism of the haves. But they are the very ones you need to realize your plans.

Answer: The dividing line does not run along monetary lines alone. There is a division among people; people who do and people who don't participate in this society. There is talk of a large cultural gap.

People who have a job or money very often feel they are on the sidelines. One feels that by ignoring those who are behind, one is ignoring his neighbor, his wife and children because they are not given a chance for a better life. Well, I don't see such an Americanization of society happening here yet. That would become too unpleasant a society.

The main question remains: is prosperity to be seen as a broader goal, as a value beyond money? I think that you can still call on that spirit.

Question: A lot of that beautiful idealism has disappeared, however.

Answer: Yes, but the people have had hard times. And they feel they have been ignored. Nevertheless, majorities appear to exist in favor of goals, which are contrary to those of this cabinet: think of nuclear weapons, nuclear energy, the shorter work-week, etc.

We say: don't be discouraged. A different policy is still possible. We show this in very concrete points that are in the platform. Our platform is stronger than before, precisely because of its concreteness.

#### A Better Society

Question: But the platform is a good deal more cautious. Everything is negotiable, there are no points of conflict.

Answer: I don't think we are being cautious because we want to govern at all costs. We are fairly honest, however, about the way in which we want to realize our platform. The more radical part of our party sees it in the same light. No nuclear weapons, no nuclear power, redistribution of employment, a different kind of democracy, all this is so completely in opposition to the CDA/VVD policy, that the struggle becomes much more recognizable. Our big task is to break through the doubt that we can really make it. This is not a new realism. A better society is at stake here.

Question: In the meantime everything is negotiable. Even the cruise missiles. Or not quite?

Answer: Our 'no' to that question stems from a deep conviction from which we will not swerve. We want to prevent the siting, and in order to do that we have to become the governing party. After the petition, and after the fundamental Constitutional debate about the siting-treaty in November, we will soon have to talk with a possible coalition partner about renegotiations. But, based on our point of view, that cruise missiles should not be sited.

#### The monkey in Artis [Amsterdam Zoo]

Question: In that way you block the formation of a coalition. That could lead to a situation where it is impossible to govern. Aren't you then obliged to leave matters to parliament, as happened once before with the abortion issue?

Answer: No, that is impossible. The government has to take care of the problem. And the PvdA will not cooperate with siting. This is one of the few causes for which you have to go all out.

After all: what does governable mean? That means doing that which is really wanted by the people. Thus, no siting. And that is something different from the little CDA/VVD coup, namely settling this vital matter quickly just before the election. That makes me think of the banana republic to which Nypels referred a short time ago.

In fact that cruise missile issue is not a barrier to a coalition on our side, but a barrier which the CDA and the VVD threw up by forcing through their solution.

Scornfully, Bukman brushes this analysis aside using the analogy of a monkey in Artis, which thinks the people are in a cage: the very reverse of reality. As if the cabinet did not have the absolute right to settle an issue on the basis of a parliamentary majority. To simply follow the opinion polls, he calls depriving democracy of its meaning.

Question: Not following a change in majority opinion which is beginning to emerge, can also deprive democracy of its meaning.

Answer: Bukman: In that case there are elections to set you straight.

Natural succession.

Precisely. That's what it is all about. The election campaign has started. Den Uyl versus the duo, Lubbers/Nypels.

Den Uyl is a strong politician, no doubt about that. But has he not passed the zenith? Is he not a choice made out of weakness?

Van den Berg doesn't think so in the least: "I don't know of any politician within the PvdA who has the brain power, the experience, the political judgement that den Uyl has. I, therefore, call this a choice made out of strength. And a strong team is joining him. I expect that team to succeed in the coming four years to lay the foundation for a natural succession."

Question: So, Wim Kok?

Answer: I'm not going into that. Anything I say would now do harm to that natural process.

In the meantime, Den Uyl is pulling the cart. We fear, in the direction of the opposition. Indeed, a very courageous man.

13092

CSO: 3614/139

POLITICAL

PORTUGAL

DEFEAT FOR PS' ALMEIDA SANTOS FORECAST

Lisbon EXPRESSO in Portuguese 4 Oct 85 p 3

[Article by Jose Antonio Saraiva]

[Text] In this Sunday's elections, there will be only two credible candidates for prime minister: Almeida Santos and Cavaco Silva.

Of the two, Almeida Santos is certainly the one with the best image.

The fact is that both men seem to be reasonably familiar with the matters they talk about.

Both give the impression that they are "competent."

Both seem reasonably sure of what they want.

But Almeida Santos has an advantage over Cavaco Silva: he is calmer, with the result that he is able to present an image of tranquillity to the voters that Cavaco does not manage to convey.

But while the PS [Socialist Party] candidate for prime minister is superior to his opponent in that respect, he also has a handicap in comparison with Cavaco that will be difficult to overcome: he is Mario Soares' successor.

To put it more specifically, he is unable to criticize Soares and the latter's actions while head of the government.

Campaigning would indeed be much easier for Almeida Santos if, like Cavaco, he could talk about the 100 campaign promises that the PS made but did not keep.

But he cannot--and that is his Achilles heel.

Here and there, however, the Socialist candidate is trying to distinguish himself from his leader.

That is, he is trying to make the voters realize that he is different from the leader.



While formally praising the prime minister, he is also trying to make the voters see that voting for the Socialist Party now is not exactly the same as it was when the candidate for head of the government was Mario Soares.

Let us take an example.

On a poster showing Almeida Santos' face, these words appear below his photograph: "What I promise, I do."

That is a surprising slogan.

Actually, what name would come to mind if you wanted to name a politician who has promised much but done little?

Mota Pinto?

Lourdes Pintasilgo?

Sa Carneiro?

Balsemao?

Obviously not.

Rightly or wrongly, the name that comes to mind is inevitably that of Soares--especially because it is he who has spent the most time at the head of the government.

Let us turn the question around to see this more clearly.

If Mario Soares were still the PS candidate for prime minister, would he ever be able to print a poster with his face and the words: "What I promise, I do"?

I don't think so. The slogan would sound false, and its effect would wind up being exactly the opposite of the one intended.

By means of small details, therefore, Almeida Santos is seeking to distinguish himself from Soares--trying to present a different image of himself.

It remains to be seen whether that subtle distinction will do the job.

It remains to be seen whether the fact that he cannot directly criticize Mario Soares and the latter's role at the head of the government--which he would probably like to do--will not be fatal to him.

In other words, the question is whether it may not lead to his defeat by an opponent who neither has his experience nor conveys the same sense of security but who has one advantage: he can say what he wants without restriction.

11798

CSO: 3542/3

POLITICAL

PORTUGAL

# CONSTITUTIONAL REFORM SEEN AS ONLY SOLUTION TO CRISIS

Lisbon EXPRESSO in Portuguese 4 Oct 85 p 10

[Editorial: "Will the Country Be Even More Ungovernable?"]

[Text] The election campaign that ends today was not doomed to tedium from the start.

There were new features.

Following an 11-year reign by Mario Soares, the biggest party in Portugal--the Socialist Party--was presenting itself with a new leader, and his behavior was arousing curiosity.

Portugal's second-largest party--the Social Democratic Party--was appearing freshly painted under the leadership of a man who was, for the most part, an unknown entity: Cavaco Silva.

And there was the allure of the existence of a new party enhanced by the presence of the wife of the chief of state.

Despite all that, one must admit that the campaign has wearied the Portuguese.

The progressive fatigue that has marked relations between the country and politics turned out to be stronger, because it carried more weight, than the new features that were taking shape.

Why?

We will see.

Since the constitution entered into force 9 years ago, Portugal has already had nine governments.

It could be said that we have averaged one government per year--and even that would be a lot.

But there is more to it than that.

Considering the periods that have elapsed between the fall of one government and the assumption of office by its successor, we reach the conclusion that the governments we have had were fully functioning for just over half a year.

That is a frightening discovery.

And it leads us to the following conclusion: it is urgently necessary to change the system.

Because no one, regardless of his convictions, can believe that this situation can continue for many more years.

That is one of the reasons why the Portuguese are tired of politics.

First, because they see one government following the other with no substantial improvement in the country's situation as the result--quite the contrary.

Second, because when each new election comes along, they do not believe that it is going to result--finally--in a lasting government.

Elections are beginning to be viewed with indifference--the indifference of one who knows that they will have minimal value, since the governments they produce can expect a lifetime limited to a few months.

With the legislative elections scheduled for the day after tomorrow, the farce will come to a close one more time.

The country has been informed that the government to be formed following those elections will last for 4 years.

People already know, however, that that is not going to happen.

Besides, if forming a government was already difficult with an array of four big parties, doing so will be even harder with five.

Until now, majority coalitions have been formed out of two political groups. But from now on, as a rule, three will be required.

It happens that coalition governments between big parties are something to be avoided.

They are weak governments by nature--because clashes among their members tend to increase, and the need by each party in the government to assert itself in the country's eyes tends to generate successive situations of conflict.

After the elections that will take place the day after tomorrow, Portugal will have one more minority government or one more coalition government.

Both are bad--and it is a good thing not to insist too much on holding elections under the current system, because the danger is that doing so would result in irreversible discredit for the system itself.

Let the Constitution be amended in the direction of a presidential system or of some other system. But let it be amended.

The objectives are clear.

In the first place, the government that is in power must be strong enough to govern, and that means it must always have a majority--either a presidential majority or a parliamentary majority, and if it is to be parliamentary majority, then the basic law must be amended to ensure, for example, that the winning party automatically has a majority of deputies.

In the second place, the government must not bear within itself the seed of disintegration, meaning that it must consist of one political force--not two or three.

In the third place, the government must remain in office during the full period for which it was elected, and this means that it must not be dependent on changing political variables throughout its term of office.

The Portuguese will go to the polls on Sunday.

They would do so with conviction only if they knew that the elected government was going to be strong enough to govern the country in actual fact and that it was going to stay in power until 1989.

They do not have that conviction.

11798

CSO: 3542/3

MILITARY

NETHERLANDS

FORMER GENERAL VIEWS ABUSES OF RECRUITS IN ARMY

Amsterdam DE TIJD in Dutch 13 Sep 85 pp 54-57

[Report on interview with retired General Michiel Hermann von Meyenfeldt, by Jet Kunkeler: "As Sergeant, You Can Also Be Nagged to Death, You Know"; date and place not given]

[Text] A community of men. A macho world. One big scout troop. This is how retired General M.H. von Meyenfeldt characterized the army. A talk about the black book of the VVDM [Union of Conscripts], about power and the difference between a dictator and a director; and about women in the army. "In the past you could hide behind your stars and stripes, but now you have to prove yourself."

A platoon from Zuidlaren was on bivouac and was being instructed in how to treat prisoners of war. The thumbs of one soldier were tied together behind his back with a shoe lace. In such a way that he suffered cuts. At the instruction of the sergeant, his comrades go urinate in a given place. Next, the tied up boy is rolled in the grass in that spot, in his undershorts. The sergeant shouts that the boy must give his name. He refuses and stubbornly persists in his refusal. He is put flat on the grass on his stomach, with his legs wide apart. The sergeant puts his foot on the soldier's genitals to demonstrate how you can get the Russian to talk. Stepping on the gas, he called it.

This is an example from the "Black Book" compiled by the VVDM about abuses in the army, specifically in the infantry. Abuses which vary from nagging to humiliation and from "pinching off" to mistreatment. Retired General Michiel Hermann von Meyenfeldt read the quoted sentences, muttering in a subdued tone. He noted: "A typical transgression of the limits during a toughness exercise which in itself is necessary -- Vietnam has taught us that -- but where things can happen which lean toward sadism."

Von Meyenfeldt (62 years old, born in Rotterdam, now residing in Limburg) has always been a conspicuous and also somewhat controversial figure in the armed forces because of his statements about the arms race and the objectionableness of nuclear arms. A career serviceman who retired in 1980 as governor of the Royal Military Academy [KMA] in Breda and who, in addition to numerous other positions, had also been president of the Interchurch Peace Council. Not



someone to pick a fight, but rather a man with lengthy and broad experience in the world of the armed forces.

[Question] According to the Union of Conscripts, the incidents listed in the Black Book (entitled: "It Is Not a Human, It Is Not an Animal, It is an Armored Grenadier") are not incidents but represent a structural problem. Is that right?

[Answer] Difficult question. I think that the truth lies somewhere in the middle. The armed forces are a typical male community with its own rules and legalities. The cadres are also raised in a special situation, such as the living-in system of the KMA. I can imagine that those kinds of things do happen in such a world. A world in which rather young people have responsibilities which you sometimes do wonder whether they are yet competent to handle. Functions in which you have power at your disposal. And dealing with power is not something everyone can handle; that is a matter for adults.

At some time power is fascinating. I experienced this myself also as a sergeant. For the first time in command; that was something that as a young guy you felt was terrific; you did get a kick out of it.

#### Learning Process

[Question] Based on the black book, there are people who are no match for that power.

[Answer] A large number of the cadre personnel are of course also in a learning process, just like the conscripts. It is the responsibility of older personnel to supervise this well. But that is not always possible in such a big organization. You cannot control everything.

[Question] But isn't there something lacking in the training of the career personnel when young cadre members are not able to handle power well?

[Answer] A good exercise of power relates to being adult and I don't know whether that adulthood can be achieved through training. Training makes a contribution to it but there is of course also the question: how does someone grow up? You should not forget either that this involves large numbers of people. You need so many leaders that you cannot expect that all of them will be 100 percent adult individuals. But I have always had the feeling that things were functioning in a reasonably responsible manner, that there was a climate in which people get along reasonably well together, in which there was a degree of democratization.

#### Vietnam Lesson

[Question] The rules of military discipline call subordination the soul of the military service. The VVDM feels that even with that you are already asking for abuses.

[Answer] That is indeed noted in the rules, but one of the provisions of the armed forces is also -- and that is also described very clearly -- to educate people to be responsible and independent. You will -- and Vietnam has also taught that -- often have to act independently, dare to make your own decisions, digress from orders.

[Question] Aren't those two rules contrary to one another?

[Answer] It is the difference between a dictator and a director. Leadership in the armed forces leans much more to the side of the director. Participatory leadership. On the battlefields of Verdun thousands of people were led by someone standing on a small hill. Today, small groups have to function almost completely independently. That you have to cultivate in peace time.

That has made leadership, including that of the non-commissioned officers, much more difficult. And the question is whether this quality is always offered in sufficient amounts to the armed forces and whether it will be possible to turn the people who are offering themselves into the needed leaders. As leadership becomes more difficult, the likelihood of mistakes increases. It was simple in the past. It used to be: an order is an order. The more you call for participation, the harder it gets. In the past you could hide behind your stars and stripes, you automatically got respect. Today you have to prove yourself as a person in authority and that is much more difficult.

A few examples more from the reader put together by the VVDM, this time originating in Oirschot.

If a soldier accidentally makes a noise with his mess can (the can from which they eat during exercises) during the meal, then everyone has to put on his gas mask.

Von Meyenfeldt: "There is no relationship between those things."

Sometimes the sergeant dishes up the food. Not with a spoon but with his hands, which he regularly licks off in a provocative manner while serving.

Reaction when I gave him this to read: "I don't understand it. That is absolutely impossible for me to understand."

When somebody arrives a few seconds late during nighttime weapons inspections, then the inspection is delayed 1 hour until, for example, 1 o'clock in the morning. If then the weapons don't meet the requirements of the cadres, this is followed by another inspection, again 1 hour later.

Von Meyenfeldt didn't have any problem with that: "The reliability of weapons can be vital to the functioning of your army."

The black book concludes that fortunately there are few excesses, but that there are actions which go right to the limits of acceptability or even beyond it. In Von Meyenfeldt's opinion it is not all that simple to determine where that limit lies. And that is becoming more and more difficult because the war

situations for which the soldiers are being trained are increasingly different from the ordinary social environment.

"You train -- and this applies very specifically to the infantry -- people for a reality which is very far removed from social reality and that gap is increasing all the time. I think that there is a very large difference between the notions of acceptability of someone in the field and the opinions on the subject of someone from civilian society."

"I think that you should set as a rule that any bodily contact -- except for sports or when you want to help someone who fell, for example -- between superiors and subordinates is excessive. That way abuses, as described in the black book, could be avoided. But for the rest, it is difficult. What is the limit between a necessary toughness exercise and an unacceptable action?"

"I have also on occasion required soldiers to exhaust themselves excessively. Afterwards they were surprised that they had proven to be capable of doing it. A conscript doesn't always know where his limits are, what he can or cannot do; in practice it often turns out that he can do much more than he thought he could and that discovery could very well be a positive thing. That relates again to the discrepancy between normal social behavior and behavior necessary in times of war. As a matter of fact, there is another relevant point here: you slowly lose the people who have war experience. You are dependent on people who don't know anything about real combat conditions. This could well be a setback in judging what is necessary for a battlefield."

Some excerpts from the black book:

During the gas mask controlroom exercise the soldiers step into the room one at a time. It is only when the last man in the platoon (20 men) has gotten in that they are allowed to put on their gas masks. That means that the people who went in first spend more than a minute without a gas mask in the middle of the CB-gas.

"I don't understand that very well," he said. "I don't know whether and to what extent this is harmful; I cannot judge that. I myself have on occasion stood in that gas and I am still reasonably healthy. I do think though that if you are going to do that, you have to tell people beforehand and explain to them why. Information is important."

[Question] But that doesn't help very much in a case like that, does it?

[Answer] It could be a question of getting used to teargas.

[Question] Because in reality you might have to deal with it?

[Answer] Yes. There are people occasionally who are careless with their gas mask.

Another quote:

A commando group instructor shows where the weak points are on an enemy's body. A soldier serves as practice dummy. A bit too literally: the sergeant prods him roughly in the eyes, behind the ears and in the throat. He is prodded in the kidneys and in the crotch with a crowbar. Finally, it was demonstrated how you can strangle someone with long military shoelaces. The soldier's throat is mercilessly tied shut. His comrades, who originally thought it was a joke, were no longer amused. They saw a soldier with a red face dangling over the sergeant's shoulder.

Von Meyenfeldt: "If that really happened that way, then that is too much for me. More rules? I think that there should be more supervision over the maintenance of the existing rules rather than adding new ones. A real war situation is virtually impossible to regulate. The more rules there are in times of peace, the less you fit people for a war task."

#### Grass, Sand and Leaves

According to the black book there is a corporal who forced his soldiers to eat grass, sand and leaves. I have done that also on occasion, said Meyenfeldt. For a moment I looked bewildered, but it turned out quickly that this involved something totally different from the event as described in the VVDM report. "Look," he explained, "I am an advocate of tough hygienic discipline. For soldiers in times of war, to neglect this is very dangerous. I have always been very strict on this in my bivouacs, for example in terms of throwing away food. And once, when a young man, whom I had already warned a number of times, threw a sandwich in the sand, I said: get on your knees and eat that sandwich."

"Then you might perhaps say: that is power abuse. But you have to know the context, know what took place in the background. I don't know the context of the events in the black book. In the relations among people in these kinds of groups things will always happen which you could criticize. I think that that is inherent to the system. You will have to do your best to minimize them, but being able to ban them completely, that I don't believe at all."

"Is there a question of a structural problem in the army then? I don't know. After all, abuse of power also happens in enterprises, doesn't it? I think that there is always a possibility of power abuse in situations where one person has authority over another. Just think about a family, about the relationship between fathers and daughters. Or about traffic, where trucks ignore private cars. What you see in society, you also see in the armed forces. When people have power, yes, well, how do they use it? And you cannot demand from an army that it be precisely the only place where everyone handles power well. Although I do think, again, that you should do everything possible to prevent abuses.

[Question] Would there be a lot of changes if more women were to join the army?

[Answer] No. At least there is no reason for it. There are no tougher units than female units.

[Question] Oh! Could you explain that?

[Answer] I have some experience with English women. Discipline there is tough as nails and the atmosphere there lacks the joviality of men. But it is very well possible that I am completely wrong in my judgement, you know.

As a matter of fact, we have a different system, a mixed system. I think that female instructors will act differently from men. But whether that will have an impact on the problem described in the black book, that I don't know. Abuse of power is often related to insecurity, those things are closely related to one another. And are women less insecure than men?

[Question] No, definitely not.

[Answer] Well, then. Now insecurity can take two different directions. Either you become subordinate to your group or you are going to overdo the reliance on your stars and stripes.

#### Women in the Army

[Question] Do you think that there should be conscription of women?

[Answer] I am not at all an advocate of women in the army. You have to try to get rid of armies, that is the task we are facing. Not that you will ever be able to do completely without police power and as far as I am concerned this could very well include women, but our first task is to learn to get along with one another in a different manner. It would seem much better to me if women were to concern themselves with that rather than with that traditional instrument.

[Question] No men, no women, no money for the army?

[Answer] No, not that either. I am not a pacifist. But I feel that the way we are dealing with our security is extremely traditional and out of touch with the times. We have priced ourselves out of the market with our modern arms system.

It is of course true: once you have accepted that women join the army as volunteers, you are virtually forced to add conscription to that. In fairness toward the men. It is absolutely unfair to let women serve only in fun jobs and leave the unpleasant ones to the men. I find that discriminatory toward the men.

When I look at it as a military person, then I say: yes, there should be conscription for women, but for political-social reasons I say no. Don't open up such an obsolete instrument for women also. Try to find another system in which you will be better able to serve peace.

As mentioned earlier, the black book refers to serious occurrences, but for the sake of honesty it must be noted that the female reporter read the following with a slight smile. It concerned a sergeant.



"When someone talks, he says: hey, I heard a noise fall. Then we have to pretend to look for it. Then we have to fall flat on the ground. The same happens during marches. If somebody says something, then the sergeant shouts: I heard a noise fall, and we have to go back a little ways to go find it."

Well yes, silly of course, but... Von Meyenfeldt: "Of course silly things do happen, at least things which outsiders would find silly. Besides, as a sergeant you can be nagged to death too, you know. And conscripts among themselves do that also. Tragedies can occur in those groups. There are very sensitive boys among them, or boys who are very individualistic, or who would like to read. The climate is not suited for that at all. It is a macho world. One big scout troop. And the transition from a reasonably free existence to such a disciplined environment is large as life."

[Question] In an interview published in DE TIJD on 5 November 1976 you said: the military apparatus should not lead its own life, it should not want to wrest itself free from society.

[Answer] That is why I have always been in favor of compulsory military service. But there must be understanding for the fact that the army must be able to function in a situation which is completely different from the one you experience in times of peace. A situation which is difficult to imagine as a matter of fact; we don't know what a future war will look like. You can only have some ideas about that. (And, back to the black book:) The difficulty is that an often complicated situation is described there in a few sentences. Therefore it is a good thing that Secretary of State Hoeksema has promised an investigation. No, I don't believe that the matter will be covered up then. The likelihood of that is greater in a professional organization than in an organization of conscripts as we know it. Elimination of that separate military disciplinary law? I don't think that that is practically feasible. You would have to make an enormous call on the judicial power.

Besides, it is a plus point for the armed forces that such a black book can be produced. That is after all an expression of tolerance.

He himself has always felt things to be "delightful" in the army. At the end of the war in Europe he went from the resistance as a volunteer to the Dutch Indies where the war was still going on. Later on he became a career soldier. A choice in which the traditions of a milieu where government service was always valued highly also played somewhat of a role.

At present, he writes commentaries for the newspapers of the GPD [expansion unknown], and also has a number of "small books," as he calls them, to his name; shortly another piece on armament and security will be published. Furthermore, he is president of the "Generals for Peace" group, which maintains contacts with East European generals in an attempt to build up trust between the two power blocs.

In the past he was active in the AR [Antirevolutionary Party], in the left wing of that party. While continuing our talk a little on the street, about Van Mierlo, about the upcoming elections, about the question of how to vote, he quickly provided a parting piece of election advice: the Evangelical People's Party.

MILITARY

NORWAY

# GOVERNMENT STUDYING POSSIBLE PERMANENT AWACS BASING

Oslo AFTENPOSTEN in Norwegian 2 Oct 85 p 19

[Article by Liv Hegna: "NATO's Warning Planes Permanent in Norway?"]

[Text] The Defense Ministry will already during the fall session report to the Storting Defense Committee what experience Norway has had in using NATO's warning planes, the AWACS, which during the first half of 1985 have flown routinely from Ørland Air Station. Undersecretary Oddmund Hammerstad tells AFTENPOSTEN that it is desirable that the committee get to assess the very plan of the flight pattern for the AWACS planes. Up to now they have only gotten to come to Ørland once a week and then have flown two to three missions in the northern regions. There is already controversy about the planes in NATO military circles.

At the time they began to discuss the AWACS project it was suggested from military quarters that about 30 planes were needed in order to be able to operate according to assumptions. However, for economic reasons they landed on a number of 18. All these planes have been supplied and are in operation from the Geilenkirchen main base in West Germany. On the flanks it is the Konya base in Turkey and Ørland in Norway which these planes fly out from. The Preveza base in Greece and the Trapani base in Italy will also receive AWACS planes during 1985.

In spite of the fact that the number of AWACS planes was reduced considerably, the military figures that the squadron will be able to make itself adequately useful the day that the British, which have their own surveillance and warning program, bring into action the planned 11 Nimrod planes. But there are signs indicating that this program will not be fulfilled as assumed. In military circles in Norway it is figured that in the best case it can be a question of longer postponement of fulfillment of the program.

It is stressed to AFTENPOSTEN that there will be a fight regarding the AWACS planes on the part of the various NATO countries as the ground facilities gradually become ready. A number of only about half of what was thought necessary in military quarters makes it so that there must be good arguments by the various countries in order for them to have flight time allotted to them. At the Armed Forces Supreme Command it is feared that Norway will not

get enough calls by AWACS planes to be able to carry out a desirable number of missions in the northern regions.

#### No Conflict with Base Policy

Experiences after the plane has conducted exercises from Ørland for almost three quarters of a year will be summed up in political quarters. They are very careful that AWACS flights do not come into conflict with our base policy. Among other things, they are strongly concerned with the personnel who attend to the planes at Ørland consisting only of Norwegians.

Defense Ministry Undersecretary Oddmund Hammerstad tells AFTENPOSTEN that Norway's position on permanent AWACS flights from Norway will be clarified during the fall. Hammerstad stresses that in his opinion the planes are a valuable tool in efforts to preserve low tension in the northern regions.

#### Norway Paying Only 1.6 Percent

There are almost 40 Norwegians working in the AWACS project at home and abroad. Norway is paying 28 million kroner a year for operating costs. This represents 1.6 percent of the budget. It has been hinted that Norway will have 10 percent of the flying time apportioned to it in the time to come. However, if for political reasons it is not thought to be desirable to have permanent AWACS operations in Norway the flying time will possibly be much less, seen totally. This seems still more probable now inasmuch as NATO has been left with only about half of the number of planes which were desired in military quarters, because of delays in the British Nimrod program.

The AWACS planes are registered in Luxembourg. They are also ensured there. It has been suggested that in political quarters in NATO they plan to scatter the materiel so that the nucleus of 12 planes cannot be at the base in Geilenkirchen. This is rejected in military quarters on the grounds that it would require very inefficient planning. The requirements for qualified ground personnel are very high for these technologically speaking very advanced planes.

8985

CSO: 3639/10

MILITARY

NORWAY

PROGRESS OF GERMAN-AIDED 'ULA' CLASS SUBMARINES DETAILED

Koblenz MARINE-RUNDSCHAU in German Jul-Aug 85 pp 226-228

[Article by Harald Fock: "The Norwegian 'Ula' Class Submarines"]

[Text] The Norwegian Ula-class submarines currently under construction are the result of many years of cooperation between the Kingdom of Norway and the Federal Republic. It began with the first governmental agreement of 17 December 1960 and the time-tested cooperation between the Royal Norwegian Navy (RNON) and the Thyssen Nordseewerke [Thyssen North Sea Plant] in the construction of 15 submarines of the Kobben class (Class 207) during the period 1962/67.

Based on this good cooperation, a new agreement was concluded in 1974 for the joint development of another conventional submarine type (Class 210). It became clear during the definition phase in the period 1974/80, however, that the development of a joint submarine type for the Germany Navy (FGN) and the RNON was not possible, whereupon the FGN withdrew from the project. It was agreed, however, to work jointly on the development of important individual systems. While the RNON continued working on the project, which was now called P 6071/Ula-class, the FGN began with the development of a type of its own, called Class 211. The extent of cooperation was then modified by the governmental agreement of 27 March 1979. The new agreement focused on the joint development and production of specialized equipment parts by Norwegian and German firms, as well as on mutual assistance in the areas of management, quality assurance, testing, etc.

The most important equipment components currently being developed are as follows:

- the basic command and weapon control system (Basic CWCS) at the [firm] Kongsberg Vaapenfabrikk in Norway,
- the sonar system at [the firm] Krupp-Atlas-Elektronik,
- the periscopes at [the firm] Carl Zeiss, and
- the torpedoes at AEG Company [General Electric Company].

After completion of the definition phase of the Ula-class, which was monitored by the German-Norwegian liaison staff, the results were recorded by the Engineering Bureau Luebeck [Ingenieurkontor Luebeck] as a provisional plan with construction specifications and associated drawings. According to the agreement, all further design work, such as working out the final design and the construction drawings, were to be carried out by the constructing shipyard.

These documents yielded the following salient technical data:

--Length overall	Circa 60.0 m
--Length of the pressure hull	Circa 43.0 m
--Diameter of the pressure hull	Circa 5.3 m
--Draft	Circa 4.6 m
--Prototype displacement	Circa 940 t
--Displacement	Circa 1040 t

In 1981, the RNON negotiated with the firms Howaldswerke Deutsche Werft AG in Kiel (HDV) and Thyssen Nordseewerke GmbH in Emden (TNSW) for the submission of bids. TNSW was awarded the contract. After several more rounds of negotiation, the construction agreement was signed on 30 September 1982 by the Royal Norwegian Materiel Command (NAVMATCOMNOR) Haakonsværn and TNSW. The agreement includes the following key points:

- Six complete submarines built in accordance with construction regulations,
- Construction, maintenance, testing and installation of a land-based testing facility for the propulsion system,
- Conduct of trials and test runs,
- Planning and delivery of the logistic system, including documentation and spare parts,
- Establishment of courses for naval personnel at the subcontractors,
- Accommodation of naval personnel at the shipyard.

The boats are to be delivered between 1 February 1985 and 30 April 1992. The land-based test facility for propulsion (STP-P) is to be ready to conduct trials in April of 1986. These trials are to be completed within one year.

While these construction contract negotiations for the boats were going on, talks on industrial cooperation began between the firm Thyssen Industries AG (the parent company of TNSW) and the Norwegian Defense Ministry (MOD Norway). These talks led, on 30 September 1982, to a contractual agreement called "Industrial Protocol." This protocol provides for compensation of a substantial portion of the monetary value of the contract for construction of the boats through the purchase of products and services of Norwegian firms. Within this barter arrangement, which affects the entire Thyssen Group, deliveries for the submarines constitute only a part. This [part] is already clearly defined:

- Pressure hull sections for five boats from [the firm] Kvaerner Brug A/S,
- Basic CWCS from [the firm] Kongsberg Vaapenfabrikk,
- Main batteries from [the firm] Anker Batterier A/S,
- Generators and transformers from [the firm] Norsk Elektrisk Brown Boveri,
- Technical control station from [the firm] Siemens A/S [in] Bergen.

In addition, numerous smaller equipment and similar items are to be purchased from Norwegian firms, if at all possible.



These many agreements should not be viewed as isolated [from one another]. The ties between them are manifold. This is particularly true of the construction contract, which has input from the following, among others:

- the governmental agreement (MOD Norway - MOD Germany),
- the support agreement (RNON - BWB [Bundesamt fuer Wehrtechnik und Beschaffung (Federal Office for Military Technology and Procurement)])
- the Industrial Protocol (MOD Norway - Thyssen Group),
- the construction contract (RNON - TNSW),
- the development contracts of the BWB (BWB - German firms),
- the development contracts of the RNON (RNON - Norwegian firms),
- the customary subcontractor agreements (TNSW - firms).

On the basis of the results of the development contracts, TNSW will purchase the equipment from the firms concerned. Following the signing of the construction contract, TNSW began its work, which is proceeding according to plan. Meanwhile, the design of the pressure hull has been completed, and the design of the interior components is proceeding in close cooperation with other design sectors. The design work in the areas of engine construction, the electro-technology, the fittings, and the weapons and weapons guidance system, was subject to various changes. These resulted in part from desires for change by the RNON, and in part from the further development of the provisional design by the TNSW. However, this phase appears to be drawing to a close, so that the final configurations and integrations can be established.

The land-based testing facility will be completed as planned. The final planning of the test phase will be done by RNON and the BWB, and the facility itself will be put up by the shipyard on the grounds of the BWB/ Proving Ground 71. In line with the support agreement between the RNON and the BWB, the trials will be conducted by the BWB.

The construction of the first submarine began on 7 December 1984 in the shop buildings of the TNSW. The preparatory work for the land-based testing facility, begun by TNSW in the summer of 1984, has already been completed. Concurrent with the commencement of the project, the RNON, as a permanent partner in the shipyard project management and the individual special departments, established the Building Office Norwegian Submarines (BONS) on the premises of the TNSW. Since work began, a close and trusting cooperation has been established between the shipyard and the BONS. All questions that come up are discussed and resolved in close cooperation and in a good working atmosphere.

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MILITARY

NORWAY

# AIRLINE PROTESTS MEASURE TO ENSURE PILOTS FOR AIR FORCE

Oslo AFTENPOSTEN in Norwegian 4 Oct 85 p 50

[Article by Liv Hegna: "Defense Ministry Orders Split Pilot Service: SAS Seeking Legal Assistance"]

[Text] SAS in a letter from the Defense Ministry has been ordered not to employ new pilots without their signing a statement of willingness regarding split service between the air force and SAS. Base Commander Jan Henrik Andersen tells AFTENPOSTEN that SAS is now seeking legal assistance in order to have assessed the legality of such an order.

Andersen stresses that SAS will already in the course of a few days have it clarified for itself how the company will conduct itself toward the order from the Defense Ministry. He thinks that this is an urgent matter inasmuch as the company is already in the process of hiring several pilots. Four courses for new pilots are being held in the fall; two of them are already in progress and the third starts on Monday. There are still two vacant seats in the last course, which begins later this month. They are being held open for two senior pilots in the air force who have still not answered SAS's offer. A total of 29 pilots just from Norway will take SAS's pilot course this fall.

The base commander stresses that how many pilots SAS will take in next year involves many uncertainty factors: "Although our pilots can fly six months a year in the air force, SAS has the pleasure of them for only four and a half months, since they must have a refresher course before they begin again with us. This means that we have to hire many extra pilots," he says.

Two out of seven SAS pilots at any one time must be Norwegians. SAS will hire a total of between 150 and 200 new pilots in 1986. How many of them will be Norwegians is dependent on how many Norwegian pilots retire next year, Base Commander Jan Henrik Andersen says.

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CSO: 3639/10

MILITARY

NORWAY

# KONGSBERG VAPENFABRIKK ENJOYING FULL ARMS ORDER BOOKS

Oslo AFTENPOSTEN in Norwegian 2 Oct 85 p 34

[Article by Brit Myhrvold: "Nearly Two-Billion-Kroner Supply of Orders: Kongsberg Selling Weapons As Never Before"]

[Text] The defense division at Kongsberg Våpenfabrikk [Weapons Plant] has since the end of last year taken in orders to the tune of at least over a billion kroner and will come out of this year with an order supply of 1.5 to 2 billion kroner worth. The influx of orders this year has been higher than any time before and is partly a result of the fact that the Norwegian armed forces are now solving problems which had been postponed somewhat during the period when large amounts of money were tied to the F-16's, the defense division's leader, Director Jens Ch. Width, tells AFTENPOSTEN.

The defense division's order supply corresponds to 2.5 to 3 years worth at today's sales level. Some of the contracts are longterm and it is necessary to have other contracts besides. KV has great expectations for the firing system for the Hawk missile, which was developed in cooperation with the American Hughes Aircraft company. "With the contracts we have received and the possibilities we see, it provides security and the ability to plan for the longer term," Width says.

He emphasizes that the defense division at KV has never operated at a deficit. In many respects this division is the firm's backbone and it has produced technology and budding in the civilian sector.

The defense division's profitability is limited to a certain extent by the armed forces' procurement terms, but defense contracts provide a basis for a healthy economy with acceptable earnings, Width says. But he adds that the terms are often stricter than what other industries have in contracts with the State. Moreover, KV's defense division does not have the same market risk as others. The development of new products is as a rule customer financed and needs are defined together with the armed forces.

Among the division's biggest contracts this year is the production contract for Penguin missiles for the air force to the tune of 600 million kroner up to the beginning of the 1990's. KV will also produce the control and firing system for the submarines which are to be built at Thyssen Nordseewerke [North Sea Works] in Emden. In addition, artillery projectile fuses will be produced for the Norwegian army and mortar projectile fuses for the Swedish armed forces. KV will also take of modernization of the firing system for the Norwegian navy's frigates.

8985

CSO: 3639/10

MILITARY

PORTUGAL

INCREASED NATO AID NECESSARY, NOT SEEN FORTHCOMING

Lisbon EXPRESSO in Portuguese 21 Sep 85 p 7

[Article by Jose Carlos Vieira]

[Text] Only one Turkish delegate raised his voice on Thursday to support the appeal by his Portuguese colleagues for more effective aid from NATO to improve Portugal's own defense capability within the framework of the alliance, thus confirming that expressions of political solidarity do not always have their counterpart in the area of military assistance.

Participants in the 31st annual meeting of the Atlantic Treaty Association, which was held in Porto this week, emphasized to EXPRESSO the dual nature of the attitude shown at the meeting toward aid for Portugal. The idea was fully endorsed by the meeting's politicoeconomic committee, but it met with almost complete silence on the part of the delegates on the military committee. That silence was broken only by the Turk, who was probably motivated to show his solidarity by the equivalent situation in his country or that in Greece, which, ironically, he also mentioned as being in need despite the well-known disputes between those two states.

Two high-ranking Portuguese military officers who participated in the work of the committees on Monday tried hard to convince their allied colleagues of Portugal's geostrategic importance, especially in the event of a conflict in Europe and specifically in view of the idea that there would be a "rapid reinforcement" of Europe from North America.

They also mentioned Portugal's financial difficulties and explained what they called the obvious requirements for ensuring that the commitments assumed as part of the collective defense objectives within NATO would be completely carried out.

But silence was the answer from the majority of their partners, even when an industrial cooperation effort with Portugal in defense of related areas was suggested--the idea being that such an effort could provide compensating benefits for the allies and alleviate a few Portuguese difficulties.

At the conclusion of the committee's work, one military officer complained that the importance of the "Portuguese strategic triangle" was not understood and that it would be properly recognized only in the event of a conflict.

For his part, a more optimistic civilian said that the association's character as a "forum" for providing information to the public in the NATO countries would eventually produce some results precisely because of the persistence of political solidarity, which is constantly reaffirmed. But he expressed doubt that "that solidarity will extend in the same way to Portugal and the other member states on NATO's southern flank, because," he said, "recent events seem to show that discrimination based on aleatory interests is also the rule in the Atlantic Alliance."

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CSO: 3542/1



MILITARY

SWEDEN

## MILITARY INCREASES USE OF SUBMARINE TECHNOLOGY

Stockholm MILITAR TEKNISK TIDSKRIFT in Swedish No 2, 1985, pp 5-15

[Address by Bjorn Berg at the conference of the Society of Military Engineering on 19 March 1985: "The Military Use of Underwater Technology"]

[Text] The development of underwater technology has long been of great importance to the navy. In some sectors, naval requirements have been the most important driving force behind such development. Diving and mine warfare, for example, were established in the 19th century.

This year we are celebrating a centennial as far as submarine technology--a naval branch now receiving priority--is concerned.

It was in 1885 that Torsten Nordenfeldt, a wealthy arms expert, launched his first submarine. It had been built at a shipyard on Reimer Island in Stockholm. His customers were to be maritime nations with modest naval resources. Those machines would provide them with a cheap and effective means of threatening their surroundings.

The development of submarine technology alternates between tactical needs and technical solutions, the compelling factor being a nation's perceived danger.

In the 1960's, the submarine evolved from a diving submarine into a type that operates primarily in a submerged position.

The 1970's were characterized by the rapid development of on-board electronic systems, with computers being used for tactical and fire control, navigation, and marine technology systems. Weapons became "more intelligent."

The 1980's are showing a rapid development of ASW resources and methods (radar, radar reconnaissance, radio intelligence, infrared, lasers, magnetic anomaly detection, and especially more advanced sonars). In addition to the traditional antisubmarine ships and helicopters, ever-increasing use is being of airplanes, satellites, and killer submarines. Submarines are being forced to go deeper, and to survive, they must be made quieter and less dependent on contact with the surface. Better sensors and weapons both for self-defense and for attack at great distances are becoming a requirement. As an example, we can mention that under certain conditions, a submarine moving at a depth of 20 or 25 meters can be tracked from an airplane carrying infrared tracking equipment, since the current created by the submarine reaches the surface and stirs up the surface water.

## Stirling Engine Development

For many years there have been attempts in Sweden and in many other nations to develop an airless energy system for conventional submarines.

The energy system being sought must be a cheap (and politically housebroken) alternative to the nuclear-powered machinery being used by the big submarine nations.

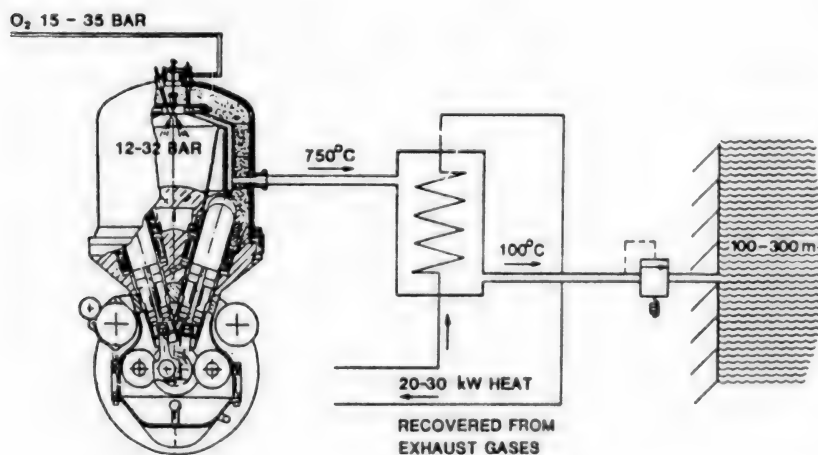
The closed-cycle engine and fuel cell machinery are examples of earlier solutions that have been worked on in Sweden.

The lesson we have learned from those projects, which have had some influence on the Stirling-engine-based auxiliary machinery for submarines now under development, is that our expectations as far as achieving timely and economic results must be moderate.

What this means generally is that as far as auxiliary machinery is concerned, the first generation of those submarines will not show any changes.

In the spring of 1982, the FMV [Defense Materiel Administration] decided in consultation with the CM [navy commander in chief] to undertake a development project based on a Stirling engine. That development work is to culminate in a test in the summer of 1985 with a complete set of machinery (developed by Kockums in cooperation with the United Stirling Corporation) that will be based on the running of a newly designed Stirling engine in a test section similar to a submarine (figure 1 [not included]).

Figure 2: Stirling Engine Configuration for Undersea Operation



Certain minimum requirements as to performance in the matter of power, noise level, and so on were set as goals to be achieved in that work.

The situation with that development work is as follows:

1. A newly designed engine (V4-275R SUB, see figure 2), in which diesel fuel oil is burned with oxygen in a special pressurized combustion chamber and the exhaust gases are discharged directly into the surrounding water, has been tested with promising results. Striking a balance between operating and maintenance aspects will result in a working point providing 75 kW at 2,000 rpm, using helium as the working gas and an efficiency of 34 percent, with a possibility of better performance (see figure 3).

Figure 3: Alternative Working Points

Working gas	H <sub>2</sub>	H <sub>2</sub>	H <sub>2</sub>	He	He
Pressure (Mpa)	13	13	15	13	13
Rotation speed (rpm)	1,800	2,200	2,600	2,200	2,000
Power (kW)	80	95	120	80	75
Efficiency (%)	39	38	38	33	34
BSFC (g/kWh)	215	220	220	260	250
Oxygen consumption (g/kWh)	810	820	830	960	940

2. A newly designed combustion chamber system has been operated for about 180 hours since the fall of 1983 with very good results.

3. The system for storing and handling liquid oxygen has been developed and built by AGA-CRYO, Inc. and delivered to Kockums.

4. The test section, built by the Landskrona Shipyard, has been delivered, and installation of the equipment is complete.

The intention is to demonstrate the system's qualities in a submarine and to produce the data necessary for reaching a decision on the installation of auxiliary machinery in preparation for UB-90 and the future modernization of existing submarines.

Development over the longer term may result in increasing the power of the Stirling machinery on board, with a consequent reduction in diesel generating sets and batteries.

It is interesting to note that a complete set of machinery is also being built for the French civil engineering project "Saga" (COMEX [Maritime Appraisal Company], with support from the CNEXO [French National Center for Exploitation of the Oceans]). The "Saga" is an autonomous service submarine for the offshore industry.

Another interesting area is the following:

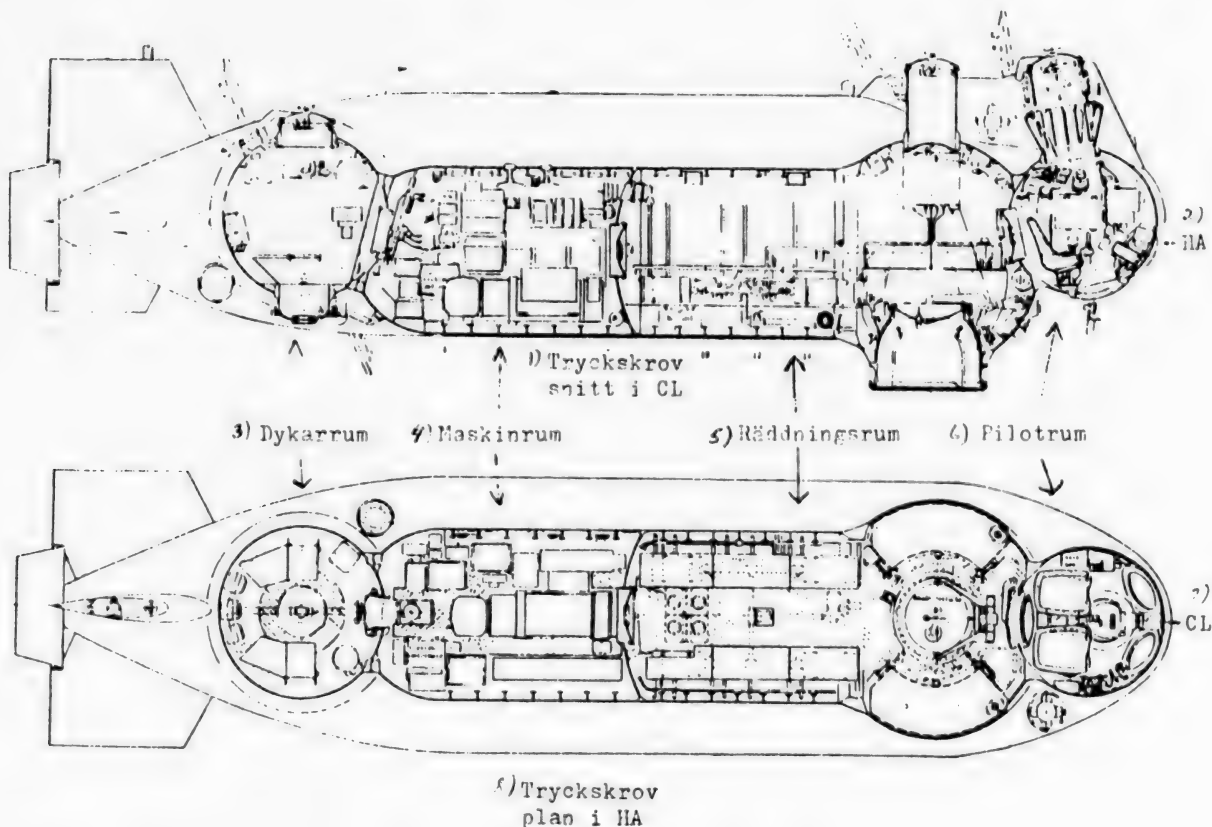
#### Rescuing Submarine Crews After a Disaster

1. Survival aboard a life support system. Development of a more effective and energy-efficient system for the absorption of carbon dioxide is of especially great interest at present.

## 2. Collective Rescue

The rescue chamber (of the McCann type) that was developed in the 1940's is widely used, and it is a reliable aid under favorable conditions. About seven people can be brought to the surface at a time.

Figure 4: The Swedish URF [Submarine Rescue Vessel]



### Key:

- |   |                 |  |
|---|-----------------|--|
| 1. Pressure hull, side elevation at center line | 5. Rescue room  | 8. Pressure hull, plan view at horizontal axis |
| 2. Horizontal axis                              | 6. Pilot's room |  |
| 3. Diver's room                                 | 7. Center line  |  |
| 4. Engine room                                  |                 |  |

The rescue submarine (an example being our Swedish URF (Submarine Rescue Vessel)) is an autonomous unit that is little affected by weather and can rescue an entire submarine crew at one time. The URF has a diving depth of 460 meters and can attach itself to a submarine down to a depth of 300 meters. The Kockums-built URF has shown in trials and exercises that it meets all expectations (figure 4).

3. Individual rescue, or so-called free ascent: down to a depth of 150 meters, crew members can be released one by one in a special suit which has good buoyancy and whose helmet contains air for normal breathing during the ascent.

The method provides a very rapid rise in pressure to reduce exposure time under pressure, with the result that only harmless quantities of gas have time

to dissolve in the blood. It is possible to develop this method for use at even greater depths.

Auxiliary systems may be required in connection with rescue operations (for example, to clear the area around an escape hatch, connect air hoses, and attach rescue cables).

The following may be used in this connection:

1. Deep diving, which may take the form of "point diving" to a depth of around 150 meters or of so-called saturation diving to about 300 meters.
2. One-atmosphere suits in which a "diver" either walks on the bottom or can glide through the water using the Spider, for example (figure 5 [not included]).
3. Unmanned vessels (remotely operated vehicles), which are operated entirely from the surface. They are guided using transponder systems, TV cameras, and so on. An example is the "Sea Owl," which was developed by SUTEC in Linkoping and is used on the submarine rescue and salvage ship "Belos" as well as in minehunting operations.

A vessel with greater capacity is the "Sea Dog" (same builder). It will be demonstrated to the navy in the fall of 1985, when it will be used with the HMS "Belos" in connection with a submarine rescue exercise.

#### Weaponry

In response to the development and improvement of countermeasures and tactics, the qualities of torpedoes are being improved.

Examples of such improvements are the following:

1. Long range (in some cases at the expense of speed).
2. The ability to change speed.
3. Wire guiding to the "attack zone."
4. Passive target seeking in the "attack zone."
5. The feedback of information to fire control.
6. Quieter propulsion.
7. Sonar with active homing (for antisubmarine operations).

Mine warfare is being vigorously developed in response to the fact that mines:

1. Are being provided with more intelligent triggering devices.
2. Are becoming harder to detect.
3. Are carrying stronger charges.



4. Are becoming automatic.

In this connection, it is especially interesting to study developments in mine hunting.

The first of six minehunting vessels (HMS "Landsort") was christened about a year ago. The following are used as aids in identifying and destroying bottom mines that are difficult to sweep:

1. The "Sea Owl," especially adapted for the purpose.

2. Mine clearance divers (as backup) equipped with special diving apparatus developed by Interspiro, Inc. That antimagnetic apparatus has a low noise level and high endurance.

#### Diver Categories and Equipment

To meet different needs, various categories of divers with special equipment for their particular missions have been developed, with some of that development having occurred in this country.

Examples are:

1. Attack divers equipped with an oxygen apparatus (maximum depth: 10 meters) for traveling under the surface for long distances without leaving tracks.

2. Safety divers (maximum depth: 20 meters) for carrying out rather simple inspections and other jobs. They use ordinary commercial breathing apparatus.

3. Salvage divers (maximum depth: 40 meters). Their equipment is similar to that used by the above-mentioned mine clearance divers.

4. Deep divers (maximum depth: 60 meters) are used for harder jobs. In recent years, deep divers have evolved into so-called welter divers. Developments in the field of diver equipment are well illustrated in figure 6 [not included].

In conclusion, it can be said that in addition to what has been outlined here, there are also other applications for underwater technology, among them reconnaissance, communications, navigation, and so on.

Common to all underwater technology, however, is the fact that the exploration and utilization of our underwater world at a faster rate are forcing the pace of research and that it is therefore of the greatest importance to the Armed Forces to take advantage of the progress made and in some cases to carry out some of that development themselves.

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CSO: 3650/27

MILITARY

SWEDEN

#### CIVIL AVIATION AUTHORITY DESCRIBES MOBILIZATION OF AIR TRANSPORT

Stockholm MILITAR TEKNISK TIDSKRIFT in Swedish No 2, 1985 pp 37-43

[Text] At the start of 1984, the number of civil aircraft registered in Sweden totaled 1,347 airplanes and 160 helicopters. There are 90 public and 50 private civilian airfields in Sweden, and 36 military airfields are also approved for civil aviation. The Civil Aviation Administration owns the public civilian airfields and is responsible in peacetime for providing air traffic control services for both civil and military aviation.

Civil aircraft are divided into three groups based on size:

1. Those of up to 2 tons (small private aircraft).
2. Those of between 2 and 15 tons (business aircraft).
3. Those of over 15 tons (scheduled and charter aircraft).

Maximum allowable takeoff weight is the total maximum weight, including fuel, passengers, and freight, with which an aircraft is allowed to take off under favorable external conditions. Maximum allowable takeoff weight is a good measure of the size of an aircraft.

The largest aircraft of all (of the Boeing 747 and DC-10 type) carry between 230 and 400 passengers. Conventional jet aircraft, such as the Boeing 727, Boeing 737, DC-8, and DC-9, carry up to 200 passengers.

Passenger planes also carry most air freight. A trend toward the use of more planes carrying freight only was broken with the arrival of the big jet aircraft in the early 1970's. A jumbo jet being used as a passenger plane, for example, can simultaneously carry as much freight (40 tons) as a DC-8 designed solely for freight. A DC-9 used purely as a freight carrier holds only 15 tons, while a jumbo jet can carry a full 95 tons. The combination of passengers and freight makes it easier for the airline companies to adjust to seasonal variations in demand.

An example of common aircraft types registered in Sweden and their maximum allowable takeoff weights is shown in table 1.

Table 1: Example of Common Aircraft Types  
Registered in Sweden

Jet aircraft:	Maximum takeoff weight (tons)
Boeing 747	350
Douglas DC-10	250
Douglas DC-8	160
Airbus A300	140
Douglas DC-9	50
Fokker F28	33
Propeller-driven aircraft:	
Fokker F27	19
Saab-Fairchild SF340	12
(Swedair has ordered 10 SF340's)	
Cessna 404	4

There are two kinds of airline companies in Sweden:

1. Companies with heavy traffic.
2. Air taxi firms.

Five firms in which there is a Swedish proprietary interest are engaged in heavy traffic: SAS [Scandinavian Airline System], Linjeflyg, Scanair, Swedair, and the small family-owned Scan-Bee.

SAS is owned by three parent companies in Sweden, Norway, and Denmark. Of SAS' total capacity, three-sevenths is owned by Sweden's ABA [Air Transport Corporation] and would be available in an emergency situation. In 1984, the ABA's fleet of aircraft consisted of 5 DC-8's, 26 DC-9's, 2 DC-10's, 1 Boeing 747, and 2 Airbus A300's. Linjeflyg's fleet consists of 16 Fokker F28's.

#### Situation Would Change in State of Alert and Wartime

If there were a general mobilization, air transport would change radically. All regular traffic would cease, and instead, transportation resources would be used purely for charter flights. This means that the entire SAS (ABA) and Linjeflyg capacity would be placed at the disposal of the state (the Civil Aviation Administration). Parts of the remaining fleet of aircraft would be transferred to the Armed Forces for military air transport activities.

In such a situation, the government will lay down the guiding principles for total defense in general, while the TPR (Transportation Council) and the OB [Supreme Commander of the Armed Forces] will decide how the need for air transport is to be met. It is impossible to assign priorities in advance, so the actual regulations will not be issued until there is a state of stepped-up alert.

The OB (in consultation with the Civil Aviation Administration) will indicate which civilian and military airfields will be used primarily for civilian transport.

Air transport resources are to be used first of all for transportation needs having a high priority and requiring great speed.

The Fokker F28's and Douglas DC-9's belonging to the ABA and Linjeflyg will be used inside the country in wartime and to a limited extent during a blockade situation. All other aircraft will be used primarily for foreign flights.

To increase carrying capacity, most of the passenger seats will be removed from aircraft normally used in foreign traffic.

If necessary, F28's and DC-9's can be converted for use as hospital planes.

#### Capacity

Transportation capacity in wartime will naturally depend on the attacker's combat operations and sabotage. It is known from experience that most capacity is lost at the start of a war. But it is considered that air transport will still be possible--at least in some parts of the country.

To guarantee domestic transport for as long as possible, spare parts and other technical equipment have been procured and stockpiled inside the country.

Aircraft used in foreign traffic are normally serviced and repaired abroad, so no steps have been taken to handle those operations in Sweden. Capacity will therefore be determined to a large extent by how many flying hours can be extracted from a plane before serious failures occur.

It is very probable that a number of planes will be lost as a result of military operations. Aircraft will be scattered among several airfields in an attempt to reduce such losses.

#### Management of Air Transport

The principle behind the management of air transport is that military transport planes will be controlled by military command organizations and that civilian transport planes will be controlled by a civilian organization--that is, the Civil Aviation Administration.

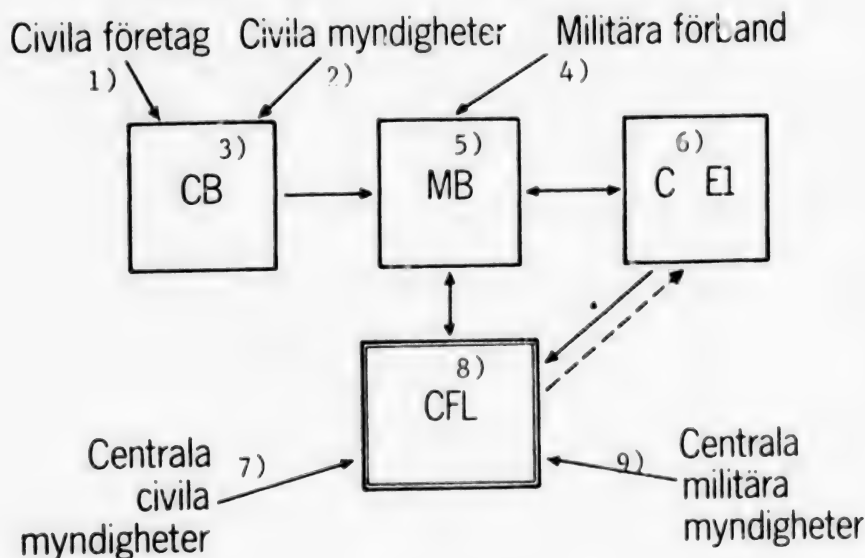
The Civil Aviation Administration will organize a staff and management organization--the Central Air Transport Board (CFL)--to manage, coordinate, and deal with all civilian air transport duties.

Linjeflyg and the ABA will organize a joint Central Traffic Agency (TC) to consist of pilots and dispatchers who will be grouped together with the CFL.

Command of the military liaison and air transport units will be handled by the commanding officers to whom those units are assigned.

Civilian firms and regional and local civil authorities will submit their requests for air transport to the appropriate regional director of civil aviation (CB). Those requests will be processed and assigned a level of priority by the CB in cooperation with the commanding general of the military district (MB). Central civil authorities will submit their requests directly to the CFL, as will the central military authorities (see the diagram below).

#### Channels for Requesting Air Transport



#### Key:

- |  |                                 |
|--|---------------------------------|
| 1. Civilian firms                            | 6. Central 1st Wing             |
| 2. Civil authorities                         | 7. Central civil authorities    |
| 3. Regional director of civil aviation       | 8. Central Air Transport Board  |
| 4. Military units                            | 9. Central military authorities |
| 5. Commanding general of a military district |                                 |

Air transportation requests from the military units will be handled by the MB.

The Civil Aviation Administration is responsible for air traffic control and the meteorological service in peacetime. But in the event of a general mobilization, the military will assume responsibility for the airspace over Sweden and the meteorological service. Among other things, this means that a completely new system will be set up, with new wartime air routes, antiaircraft defense areas, limitations on air navigation aids, and so on.

#### Civil Aviation Administration's Emergency Planning

Emergency planning by the Civil Aviation Administration covers state-owned airfields, those municipal airfields selected for use as bases for civilian air transport, and the SAS (ABA) and Linjeflyg airline companies.



The emergency plans are aimed at:

1. Making both domestic and foreign air transport possible during a threat of war and in wartime.
2. Increasing protection and the ability to hold out at the airfields.
3. Ensuring military transportation for the movement of inductees and movement to assembly points.
4. Meeting civil defense needs for the transportation of those called up and other such needs in connection with mobilization.
5. Facilitating transportation of the sick.

The Civil Aviation Administration has an annual appropriation of between 10 million and 12 million kroner for this emergency planning. So far that money has been used primarily for the following:

1. Increasing the technical maintenance of DC-9's and F28's.
2. Managing emergency stockpiles.
3. Procuring air navigation aids.
4. Procuring fuel storage tanks.
5. Procuring materiel for the airfields.

From 1984 to 1989, two-thirds of the appropriation will be spent on construction activities at airfields, examples being the expansion of:

1. Runways (lengthening).
2. Aircraft waiting areas.
3. Aircraft parking areas.
4. Protected parking areas for rescue vehicles.
5. Control centers in hardened spaces.

In order to be able to quickly restrict the use of aviation fuel, the Civil Aviation Administration has prepared plans for rationing and control.

Through the agency of the Civil Aviation Administration, personnel in the administration itself and in the airline firms are being instructed and trained for the duties they will perform in wartime.

11798

CSO: 3650/27

ECONOMIC

EUROPEAN AFFAIRS

# ICELAND, GREENLAND, FAEROES AGREE ON ECONOMIC COOPERATION

Reykjavik MORGUNBLADID in Icelandic 9 Oct 85 pp 26-27

[Article: "Cooperation of Iceland, Greenland and the Faeroes Islands in the Exploitation of Common Resources"]

[Text] The first meeting of the West Nordic MP's Council, upon which are seated representatives from Iceland, Greenland and the Faeroes Islands, was convened at Nuuk in Greenland on 24 September. The Council was created to promote cooperation between the countries in the area of education, trade and communications and likewise for the protection of their common resources.

In 1981, the Icelanders then on the Council presented a proposal on efforts for increased cooperation of the three countries. Greenland, however, withheld its support and was unwilling to take part in cooperation between the three countries until it had left the European Common Market. They then called the present meeting into session.

Six delegates, one from each political party, represent Iceland on the Council. Pall Petursson is the chairman of the Icelandic committee and its other members are: "Petur Sigurdsson, Eidur Gudnason, Steingrimur Sigfusson, Stefan Benediktsson and Sigridur Duna Kristmundsdottir. Erlendur Patursson is chairman of the Faeroese committee and it is also comprised of six members. Greenland has a five man committee and its chairman, also chairman of the Council, is Jens Lyberth. Meetings are held once a year and the next meeting of the Council will be held in Iceland next summer. The chairman of the Council is elected annually.

In recent years various environmental organizations have directed efforts at the three countries and Greenland, for example, has suffered considerable damage due to their action. Iceland and the Faeroese Islands are experiencing their difficulties in this area as well. The Council thinks it necessary that the three countries work together in areas of common interest.

The Council resolved during its Nuuk meeting to present proposals to the administrations of Greenland and the Faeroese Island and to the Government of Iceland on beginning discussions on the mutual exchange of news and informational photographs on the education, natural environments and livelihoods of the three countries. Eidur Gudnason said at a press conference

held to announce the decisions of the first meetings of the Council that planning for the future has scarcely begun in Greenland and the Faeroese Islands but that it would unquestionably be beneficial for Iceland to get to know these countries better than we have had the opportunity to in the past. "Little in the way of news and information has come to Iceland from these neighboring countries, even though there is a lot of interest in them. For example, it was resolved in the Broadcasting Council recently to ask the Broadcasting Administrator whether or not it would be possible to achieve closer cooperation with these countries in the area of television and radio broadcasting."

Also discussed at the Nuuk meeting were efforts to find ways to achieve a common position on the exploitation of resources in the economic jurisdictions of the three countries in view of the fact that the three countries differ somewhat regarding the exploitation of certain fish stocks. The Council thus offered the proposal to the Government of Iceland and to the administrations of Greenland and the Faeroese Islands that efforts be made to achieve firm lines of communication between the three countries.

There was discussion of whether or not increased fur farming might enrich Greenland's livelihood based upon improved communications. The Council was referring to fox fur farming, among other things. It was proposed that there be an exchange of information on fur farming in view of the limited experience in this area in Greenland. In this manner consideration can be given to whether or not fur farming has practical potential for Greenland's livelihood.

Eidur Gudnason said that he was nearly certain about the possibility of selling foodstuffs to Greenland. "The market for fresh fish is great. The problem of communications between the two countries is, on the other hand, one that will have to be solved but we have both air carriers and shippers that are fully capable of dealing with such shipments."

9857

CSO: 3626/3

## COUNCIL OF ECONOMIC ADVISORS' REPORT REplete WITH WARNINGS

Copenhagen BERLINGSKE TIDENDE in Danish 14 Sep 85 Sect III p 2

[Article by Henrik Skov: "Monetary policy: Advisors' Report Filled With Explosives"]

[Text] The new monetary policy report from the economic advisors underscores how hair-fine the balance is between continued progress and prolonged recession. The Danish economy is now performing a balancing act in which success or fiasco depends on extremely modest swings in conditions. At the same time, the report gives a possible explanation for the National Bank's war of declarations with the government.

There are explosives in the new monetary policy report which the economic advisors have just completed.

The long and anxiously awaited report indicates that the Danish economy is at a crossroads where modest swings in the conditions for the two lines of development that the economic advisors have sketched will decide whether the Danish economy finally makes something of a breakthrough or whether we will remain on the usual line of deficit.

In a nutshell, the Danish economy is balancing between progress or a new recession.

The economic advisors have calculated two possible courses for the Danish economy through 1995--a course leading to surpluses and one to deficits where the most important conditions are the growth of our export markets and developments in import prices, exchange rates and the international interest rate.

According to the economic advisors' calculations, the surplus course will prove correct if the average growth in export markets from 1985 through 1995 remains at 2.5 percent per year. In addition, the most important conditions are a reduction in the international interest rate from about 11 percent in 1984 to 7 percent at the end of the 1980's. The price of raw materials, which have a big influence on the Danish economy, must according to this model be stagnant or rise only slightly.

If these predictions hold, which the economic advisors themselves characterize as reasonably realistic, an economic course as presented in the graph is to be expected. The Danish economy's two difficult problems--the deficit in the balance of payments and the deficit in the national budget--are thus facing a quick solution.

The gross national product will grow by a factor of 2.5 percent yearly, which is more than the average for the decade from 1974 to 1984, but nonetheless not strong enough to slacken unemployment, which for the most part will remain unchanged through 1995.

Because of factors that for the most part are beyond the control of Danish monetary policy officials, the economic advisors count on under these conditions a pleasant side effect in the form of a continued decline in interest rates through 1990.

The economic advisors' calculations also show that the conditions do not have to slacken very much before the Danish economy will instead move into a prolonged recession.

The worst case scenario will happen if the average foreign growth through 1995 will be about 1.5 percent instead of the before-mentioned 2.5 percent. If interest rates average about 10 percent and prices on imported raw materials including energy rise 5 percent a year instead of 2.5 percent as in the progress model, the Danish economy will then follow the somewhat despondent picture presented as the deficit course in the graph. The economic advisors also describe the course as a "risk alternative."

Unemployment will worsen a little while the deficits in the balance of payments and in the national budget will be locked in under the zero line. The Danish economy can thus wave goodbye to a balance in the foreseeable future.

#### Strain

At the same time, the economic advisors stress that a recession will cause finance and monetary policy to bear an enormous strain. The economic advisors warn that the dilemma can become so great that in this situation it can become difficult to maintain the firm course policy and liberal currency provisions.

Perhaps it is here that the key to the "war of declarations" that the National Bank has opened against the government is to be found. National Bank Director Erik Hoffmeyer wants a financial policy intervention here and now in order to bring the development of exports into a path that leads to the surplus course. In the longer view, he is nervous about losing control of the financial policy plan if the Danish economy "chooses" the wrong line.

The government continues to choose to think that exports will show up in the coming balance of trade figures.





## Danish Economy at Crossroads

### Key:

1. Official Budget
2. Balance of Payments
3. Unemployment
4. Development of Surplus
5. Development of Deficit
6. Official Budget as Percentage of Gross National Income
7. Balance of Payments as Percentage of Gross National Income
8. Unemployment Measured as Negative Percentage of Work Force

12819

CSO: 3613/208

ECONOMIC

GREECE

PESSIMISTIC EEC FORECAST FOR NATIONAL ECONOMY

Athens I KATHIMERINI in Greek 12 Oct 85 pp 1,3

[Article by I KATHIMERINI correspondent in Brussels, Kostas Kekis]

[Text] Brussels--The EEC Committee's forecasts for Greece's economic situation are pessimistic for 1986, at least with the present facts and the particular policy. This emerges from data worked out by the appropriate services in the EEC Committee, data which, for the most part, were made available by Greece.

These unfavorable EEC estimates about our economy are significant for the measures announced yesterday by the government. In Brussels, they believe the government was forced to take "tough measures" to stop the economy's downhill course, which resulted from PASOK's irrational--until today--policy. At the same time, these measures will be the "alibi" necessary for the government to turn to the EEC, seeking certain delays in implementing its contractual obligations.

Several of the economic estimates announced yesterday by the EEC Committee are indicative of the present situation:

1. The increase in the gross national product for 1986 will be decelerated in comparison with this year. A one-percent increase is forecast for 1986, while this year it is 1.9 percent and last year it was 2.6 percent. The lower increase in the GNP indicates a weakness in the economy, the expected restriction in increases in salaries and incomes, and less demand.
2. The workers' per-capita income will have a smaller increase than in previous years. A 12.6-percent increase is expected in 1986, while this year the increase is on the order of 19 percent and, last year, 21.30 percent.
3. Unemployment will reach nine percent, in comparison to 8.3 percent this year and 8.1 percent last year.
4. The EEC is making no forecasts about the public debt because the data given by Greece "are not considered reliable."
5. The restricted increases will have an effect on goods consumption. The consumer goods index will suffer in 1986 in comparison with this year; the EEC calculates an increase in the index on the order of 0.2 percent in 1986, while in 1985 it is 1.7 percent and in 1984 2.1 percent.

## Recourse to the EEC

These EEC estimates indirectly help the government to appeal to the Community and seek a delay in implementing its contractual agreements--such as:

1. It will seek a delay for the value added tax because, with the implementation of the new economic measures, it will be impossible to begin applying the VAT on 1 January 1986. At the same time, it will promise the EEC that, by the end of the year, it will introduce the related bill on the VAT to the Chamber of Deputies for voting.
2. For restricting imports, it will cite the economy's weakness and will seek a "grace period" as other EEC countries have done in the past.

Up to now, the government has not made its intentions officially known on this matter to the EEC--unofficially it has--and was waiting first to announce its economic measures.

The Rome economic agreement provides for appealing to the EEC, in "special cases," to take measures for a limited period of time. There may be a problem for the value added tax because it has not been legally clarified whether its not being implemented in 1986 will create for Greece the obligation to reimburse to the EEC proportionately in 1987 any difference in its share which might arise. All these are issues for negotiation.

Government factors consider it "bad luck" that the announcement of the economic measures coincides with the EEC's communication of its forecasts for Greece's economy. What they fear is the community's published data being connected with the "tough" government measures, and the impression being created that the government submitted to the EEC's suggestions for rescuing the economy. Because then it will not be able to talk about an "independent policy".... The truth is bitter, however. The government will cite its "tough" measures when it seeks help from the EEC....

9247

CSO: 3521/5

ECONOMIC

GREECE

#### DETAILS ON 'DARK' ECONOMIC SITUATION

Athens I KATHIMERINI in Greek 5 Oct 85 p 5

[Editorial: "Dark Picture..."]

[Text] The "spectacular" elements of the moment, those which by their nature excite the curiosity, and absorb the interest, of the broad public must not overshadow other facts which are less spectacular but perhaps more important. At the present juncture, they must not overshadow the course of the economy, whose critical state--where the government of the last four years led it--is probably the foremost problem.

Here is the picture and developments of our economy as they emerge from the official data published in recent weeks.

And above all, here is the state of the balance of payments.

According to the official data on this issue published last Saturday, for the first seven months (January to July) of 1985, the deficit in the balance on current accounts reached 2,122 million dollars, versus 1,385 million dollars in the same period in 1984 (whereas the target set by the government was to hold it to under two billion dollars).

In the same period, exports noted a 7.9 percent decrease, while in the same period of 1984 there had been a 24.8 percent increase.

This adverse development is owing to the weakening of our products' competitiveness.

Invisible resources continue their downward trend, which is due to the drop in returns from shipping and immigration exchange.

The exchange reserve rose, on 31 July, to 1,301 million dollars, compared to 1,273 million in the same period last year.

The public's foreign borrowing in the seven-month period this year reached 1,843 million dollars, versus 1,532 last year!

Thus, the balance of payments deficit, which is already forming at levels approximately 50 percent higher than government targets and forecasts, will, in the end, not be less than three billion dollars for all of 1985. So Greece will

have to draw from the international money market, as a loan, approximately 800 million dollars. Will it be possible to borrow this money under the present international conditions?

Instead of any commentary of our own, we quote the following comments from the pro-government ELEVTHEROTYPIA of last Saturday, 28 September:

"'We have managed to stop the economy's downhill course,' repeated for the last time yesterday Prime Minister Andreas Papandreou, dumbfounding sometimes the 'dreamers,' and sometimes the 'reformists,' in PASOK's Central Committee.

"The balance of payments deficit increased 53.2 percent in the first seven months of 1985, in comparison to the corresponding period in 1984, the Bank of Greece--in other words, the 'oracle of evils,' leading banker Dimitris Khalikias--announced yesterday.

"What are we to believe? The prime minister's words or the bank's figures?"

We proceed now to the public enterprises.

Based on the official related data, while the total deficit for the 20 largest public enterprises rose to 48.6 billion drachmas in 1981, it has now reached 105.2 billion drachmas.

Apparently, these estimates are very moderate, and the total deficit of the public enterprises and organizations is much greater, nearly triple the estimates. We quote the following information from I AVGI of 14 September:

"Great anxiety has been caused among the appropriate government factors by the development in the deficits of public enterprises and organizations, which, according to information, are tending to surpass 300 billion drachmas this year, versus the 216 billion which had been estimated at the end of 1984.

"This development was sharply criticized by the deputy minister of national economy, G. Papandreou, and the general secretary for public enterprises, D. Papoulias, who gave strict orders to henceforth curb expenditures, in a special 'warning' conference with the heads of the administrations of the largest public enterprises: Olympic Airlines, OSE [Railways Organization of Greece], OAS [Urban Communications Organization], DEI [Public Power Corporation], EAV [Greek Aircraft Industry] and EVDAP [Capital Area Water Supply and Drainage Company].

"It is noted that the current administrative deficits--without payment of amortizations--of these enterprises is estimated at 56 billion drachmas.

"However, the excess in expenditures which have already been made this year appears now to make a curbing of deficits to the levels in their budget~ unattainable. According to provisional estimates, it will be impossible for the total deficit of the DEKO [Public Firms and Organizations] to be less than 280 billion, 30 percent more than the original forecasts."

And something from the market's activity: At least 13 small, medium-sized or large businesses, on an average, are closing up every working day since they cannot outrun the crisis in the market caused by the government's economic policy.



This emerges from official data from the Courts of First Instance, according to which, in January to the end of June 1985, 1,940 applications for bankruptcy were made, which means that on every working day in the first half of 1985, 13 businesses went bankrupt; this is without estimating the number of businesses which closed "silently," in other words, without activating the procedure for bankruptcy.

Finally, the inflation rate, even if it were to be held to 17.5 percent on a year's basis for 1985 (which is rather infeasible after the recent increases in prices and their repercussions), will be triple the average rate in the other nine EEC member-countries.

This is a sampling of data which do not exhaust or complete the picture of our economy. But they are enough to show that we have not entered, and are not marching to, "even better days"....

9247

CSO: 3521/5

ECONOMIC

GREECE

# STATISTICS ON INCOME TAX BURDEN, APPORTIONMENT

Athens ENA in Greek 29 Aug 85 pp 29-31

[Article by Alekos Kasimatis]

[Text] Four out of ten Greek families do not pay taxes. This fact emerges from recent National Statistical Service data on the incomes reported and taxes paid by Greeks.

Last year, a total of 1,805,778 tax returns were submitted. This corresponds to 61 percent of the families in our country which, according to the latest census, has 2,953,641 families. In other words, more than one million families have such a low income that the law exempts them from the duty of submitting a tax return.

The Statistical Service charts reveal one other sensational piece of data, however: Of the annual taxes, 86.2 percent are certified in men's names and only 13.8 percent in women's. This is a really huge difference which is owing to the fact that usually a woman's income is incorporated into her spouse's income.

The total income of Greeks in 1984, according to the tax returns, was 911,405,000,000 drachmas and the average income of the Greek family was 504,716 drachmas. The numbers are revealing, however, about the sources of incomes: 73.7 percent in Athens, and 70.8 percent in the rest of Greece, come from salaried services. The taxpayers and incomes are divided equally between Athens and the rest of Greece. Of the taxpayers, 50.4 percent live outside of Athens and 49.6 percent live in Athens.

Athenians declared a total income of approximately 495 billion drachmas, while the rest of Greece declared 416 billion. From the total incomes of Athens and the rest of Greece, it is deduced that the average annual income of a family in the capital is 553,306 drachmas and in the provinces 456,945 drachmas.

CHART ONE

Taxpayers and Their Incomes By Groups				
Professional Category	Number	Percentage of Total	Income in Million Drachmas	Average Income in Thousand Drachmas
Merchants-Industrialists	22,816	1.3	20,414.4	894,740
Liberal Professionals	77,446	4.3	57,652.8	744,425
Wage Earners	801,497	44.4	492,865.9	614,931
Pensioners	240,301	13.3	133,136.9	554,042
Rentiers	142,987	7.9	37,507.5	262,314
Farmers	25,197	1.4	2,816	111,759

CHART TWO

Total Taxpayers According to Monthly Income		
Monthly Income in Thousands	Total Taxpayers By Monthly Income	Percentage of Total Taxpayers
Up to 100	172,480	9.6
100-150	97,297	5.4
150-200	110,198	6.1
200-300	241,290	13.4
300-500	450,935	25.0
500-1,000	557,917	30.9
1,000 or more	175,661	9.7

CHART THREE

Distribution of Reported Family Income By Source		
Source of Income	In Million Drachmas	Percentage of Total
Salaried Services	659,911.6	72.4
Commercial and Industrial Services	148,552.8	16.3
Buildings	74,403.5	8.2
Liberal Professions	24,567.7	2.7
Securities	2,785.0	0.3
Agricultural Enterprises	960.6	0.1
Leasing of Lands	224.1	0.0

CHART FOUR

Exemptions and Deductions from Income by Professional Groups			
Group of Professionals	Number	Total Income in Million Drachmas	Total Exemptions and Deductions in Million Drachmas
Merchants-Industrialists	22,816	20,414.4	10,694.1
Liberal Professionals	77,446	57,652.8	18,769.9
Wage Earners	801,497	492,865.9	185,947.6
Pensioners	240,301	133,136.9	46,547.1
Rentiers	142,987	37,507.5	12,793.9
Farmers	25,197	2,816.0	2,090.3

### Tax Payments

Even though both the taxpayers and income are distributed equally between Athens and the rest of Greece, the same is not true for the taxes paid.

Athenians pay 60.8 percent of the taxes, while 39.2 percent is paid by those living in the rest of Greece. The categories of workers who pay the largest average annual tax, based on the incomes they report, are merchants and industrialists, with 222,935 drachmas. Next come liberal professionals, with 112,355 drachmas, then pensioners, with 59,972 drachmas and, finally, wage-earners, with 54,562 drachmas.

But these categories (industrialists-merchants, liberal professionals) also have the largest tax exemptions.

### Incomes and Services

Of the 1,805,778 taxpayers, only 172,000 (9.6 percent) reported an income of up to 100,000 drachmas a month (Chart Two). The striking element in this chart is that, in the largest part of the population submitting a tax return, 30.9 percent (557,917) report a monthly income of 500,000 to 1,000,000 drachmas.

The Revenue Department recognizes, based on legislation, seven sources of income: salaried services (public, private employees, etc.); commercial and industrial enterprises; buildings (rents); liberal professions (doctors, lawyers, artists, etc.); securities (stocks); agricultural enterprises (income coming from operation of agricultural, livestock, poultry, etc. businesses); and land leasings (property rents).

Of the 911 billion reported to the Revenue Department, 72 percent come from salaried services. The least in terms of total income are incomes from agricultural enterprises and property leasings (Chart Three). As we said, the largest income percentages, both in Athens and the rest of Greece, come from salaried services. Resulting from this source are 73.7 percent in Athens and 70.8 percent in the rest of Greece.

In the capital, however, there is an overconcentration of incomes from certain sources. Specifically, 71.1 percent from shares, 60.2 percent from buildings,

59.8 percent from liberal professions, 55.3 percent from salaried services and 46.1 percent from commercial and industrial enterprises were reported in Athens!

Of the 1,805,778 taxpayers, 586,107 declared an income from buildings. Most reported a particularly low income from this source, while 922 reported a monthly income, exclusively from buildings, of more than 2,000,000 drachmas.

Wage-earners prevail. They are the Revenue Department's best customers, since the majority report an income of more than 100,000 drachmas a month. Only 7,318 reported an income under 50,000 drachmas, while 4,722 reported more than 2,000,000 drachmas.

By categories of professions, the largest average income corresponds to merchants and industrialists, with 894,740 drachmas. Next come liberal professionals, with 744,425 drachmas, then wage-earners, with 614,931 and pensioners with 554,024 drachmas.

Of course, wage-earners, pensioners and farmers, under certain conditions, are exempted from the obligation to file a tax return. If everyone without exception filed one, then the order of average incomes would change substantially and these three categories would be among the lowest.

9247

CSO: 3521/3



ECONOMIC

ICELAND

PAPER VIEWS INDEPENDENCE PARTY ECONOMIC PROGRAM FOR NEW ALTHING

Reykjavik MORGUNBLADID in Icelandic 3 Oct 85 p 28

[Editorial: "State Economy Rather Than Purchasing Power Should Feel Impact"]

[Text] The mass media has elaborated on the meeting of the Independence Party [SJ] Central Committee and the parliamentary group that was held in Stykkisholmur last weekend.

The main resolutions and protocol of the meeting which Independence Party Chairman Thorsteinn Pálsson submitted, were as follows:

The main objectives of next year's budget, as well as that of the national budget and economic policy for the next 2 years, are to reduce trade deficit considerably and ensure as much security and balance in our industrial and economic life as possible.

Considerable results must be achieved in this arena already next year. Otherwise, the survival of our basic industry, fisheries, will be jeopardized.

The balance between state revenue and expenditure must be secured without bridging the gap with foreign borrowing to balance state accounts as has been done during many of the past years.

There is urgent need for restraint in overall state expenditure. This, along with the above, calls for a revision of the planned expenditures of the state economy. Especially as this is the crux of the matter and it is imperative that this restraint is felt by the state economy and not by the general purchasing power in the country.

In writing next year's fiscal budget, three things have especially been emphasized. First, that state expenditures do not increase as a ratio of national production between 1985 and 1986, despite already negotiated wage increases, but wages are by far the highest state expense item, and despite the increase in interest payments by half a billion between these years. Secondly, that the treasury operate without deficit, or almost without deficit, in the coming year. Thirdly, that no foreign borrowing will be taken in 1986 beyond amortization of older loans. The interest on the foreign loan capital is, as it seems, to be paid from state revenue.

Minister of finance has stated to the mass media that the conclusion of the meeting of the central committee and the parliamentary group in Stykkisholmur agrees with the views he has previously stated. The state economy will not be without deficit next year, despite restraint in the state economy in previous years unless one of two things happens: further cuts in state expenditure or increased taxation.

A total review of the state expenditures is valid. That will not be discouraged here at all. It is, however, necessary to look realistically at the state economy figures and the efforts of other nations to reduce in that sector.

Most western states have for years fought a battle to curb the expansion of state expenditures and taxation. Most reasonable people feel that taxation has in many places, perhaps most places, constricted the feasible right of disposal that most individuals and households have of their earned income. Businesses have also had to run at a loss, use their own capital and accumulate debts, at least in this country, especially during the inflation years 1971-1983.

The effect of the restraint has primarily been reflected in the fact that the growth of state activities that have been out of control have been slowed down. In very few places has the state machinery been cut back to any extent. Even in the United States, where efforts in this direction can hardly be doubted, the cutback has been slow and the state deficit has greatly increased. This effort does continue everywhere and unavoidably so.

The review to reduce state expenditures which the resolution of the meeting of the central committee and parliamentary group of the Independence Party sponsors, is based on obvious facts in the state and national economy. The restraint that was necessary--and is no less necessary in the future--has already been reflected in a negative development of the purchasing power. The people who had the least means did not need this on top of their problems. Independence Party Chairman Thorsteinn Pálsson is therefore correct when he says that during the next months this burden must be carried by the state economy rather than the purchasing power.

At the same time, emphasis must be put on industrial reform, productivity and economic growth, i.e. the route of the realistic improvement of wages and benefits. National unity is needed for this reform. For too long we have had enough of infighting, slogans, inflation, trade deficit and foreign debt, i.e. the inheritance from the years the People's Alliance was in power.

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ECONOMIC

ICELAND

# FISHING CATCH BEST SINCE 1980

Reykjavik MORGUNBLADID in Icelandic 9 Oct 85 p 52

[Article: "Fishing Catch Greatest Since 1980"]

[Excerpts] The total Icelandic fish catch was nearly one million loads as of the beginning of last month. It has never been this great at this time of the year since 1980 when the catch was approximately 1 million loads. There was a catch of cod and other bottom fish in September greater than during the same month last year and this year to date the cod catch is 43,391 loads greater than last year. The total catch during this period was 924,570 loads.

The catch in September was a total of 143,697 loads compared to 40,665 loads during the same month last year. The biggest difference was the 96,636 loads of the capelin catch whereas during the same period last year no capelin were taken. The catch of other major types of fish was also more this September than last or approximately the same. The cod catch was 17,290 loads in September of this year compared to 15,329 last year. The catch of other bottom fish in September was 25,495 loads against 20,252 loads last year. The cod catch of boats this September was 6,479 loads compared to 5,438 loads last year and the cod catch of trawlers was 10,811 loads compared to 9,891 loads in September of last year. The boat catch of other bottom fish was 5,731 loads compared to 5,532 loads last year and the trawler catch of other bottom fish was 19,764 loads this September compared to 15,720 last year. The total trawler catch this September was a total of nearly 5,000 loads greater this September than last and the total catch of boats was around 98,000 loads.

By time of year, these are the best catches in Iceland since 1980. The following are total catches by this time of the year since 1979: 1985, 975,955, 1984, 924,570, 1983, 541,593, 1982, 615,610, 1981, 898,177, 1980, 1,021,350, and 1979, 1,236,850 loads. The differences in the sizes of the catches for these years are due principally to varying cod and capelin catches.

9857

CSO: 3636/3

ECONOMIC

PORTUGAL

USSR TRADE AGREEMENTS TO BE TERMINATED; OFFICIALS COMMENT

Lisbon EXPRESSO in Portuguese 21 Sep 85 p 19

[Article by L. M.]

[Text] Portugal will give notice next week of its intention to terminate its bilateral trade agreements with the USSR. It will do so during the meeting by the joint Portuguese-Soviet trade commission, which will begin in Moscow on the 24th of this month. The action by the Portuguese delegation results from the fact that our country is joining the EEC.

In the opinion of Raquel Ferreira, secretary of state for foreign trade, who will head the delegation to Moscow, this denunciation of Portugal's bilateral agreements with East European countries "does not affect our traditional exports." Other agreements will be established later to conform to the principles governing relations between the EEC and CEMA.

Membership in the Common Market excludes bilateral agreements with any other country. In CEMA's case, the Common Market also has a number of quantitative restrictions and, naturally, a common customs tariff. Raquel Ferreira says the existing restrictions will not affect Portuguese exports to East Europe.

The meeting will include a review of the general state of both economies and planning for the future--important just now because the USSR is preparing its next 5-year plan. The Soviet delegation will be headed by the deputy minister of foreign trade, who is an old acquaintance of the Portuguese because he has headed almost all Soviet delegations to that joint commission.

No substantial results are expected from next week's meeting in Moscow, although Raquel Ferreira has told EXPRESSO that the Portuguese are currently attempting some "political pressure" to win a good position in Moscow's next purchasing plan. It should be noted that the rate of cover by Portuguese exports has stood at around 22.6 percent since 1981.

The imbalance in Portuguese-Soviet trade is favorable to the USSR and has been worsening since 1981. A reasonable situation was achieved in 1976 with a rate of cover of 48 percent. Our main import from the USSR is petroleum, while our exports consist of consumer goods: textiles, footwear, clothing, and so on.



## Complex Relations

Trade relations with the East "are conspicuous for a traditional complexity which is not free of a political and emotional charge that is not always useful." At least that is the opinion of Leite Araujo, former chairman of the Export Promotion Fund and the Portuguese Foreign Trade Institute and one of the first Portuguese officials to negotiate with Moscow.

In Leite Araujo's opinion, the meetings of the joint commissions which he has attended "are very useful politically and of little value in practice. At the meeting I attended in 1982, the fact that we have a market economy meant that on our side, there were no representatives of the exporters or the industrial producers, whereas on the other side, the negotiators from a state economy were qualified to discuss goals for growth by product for export and import purposes--that is, our capability for discussion had remained in Lisbon."

The problem lies in the difficulty Portugal has displayed in coordinating its services so as to negotiate successfully with centralized economies. Leite Araujo gives a specific example: "Imagine, for example, that the Soviets present the problem in these general terms: we agree to allow Portugal to sell 100 percent more than it has so far if it will buy 30 percent more petroleum from us than it currently does. That proposal would immediately cause almost insoluble problems for a country like ours."

Araujo says it would mean determining at once whether Portugal could increase its petroleum imports by 30 percent and double its exports--and doing that would require a degree of coordination between the central administration and the firms, whether state owned or private, that so far has not existed.

Our trade with the USSR is currently conditioned by the fact that 80 percent of our imports from that country consist of petroleum. Leite Araujo says that disadvantage could become a means of helping our Portuguese exports. But "we will achieve this only if the negotiation of objectives is firm."

Also according to Leite Araujo, Portugal "must try to strengthen its position in areas where we are already credible exporters to that market: boats, tomato concentrate, textiles, footwear, cork, Port wine, readymade clothing, casting molds, and canned fish. But it is becoming essential to diversify that range of products and fit it into sectors that are priorities for the Soviets."

In that connection, the same expert calls attention to the USSR's 5-year plan for 1985-1990, in which priority is being assigned to the construction and modernization of big enterprises in the areas of textile packaging, footwear, leather, and food as well as the improvement of distribution systems for consumer goods and completion of the energy program. Leite Araujo concludes by saying: "I feel that there is a lot of room there for penetration by our country as a means of increasing its exports to the USSR."

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ECONOMIC

PORTUGAL

#### FRIGATE AGREEMENT WITH FRG RAISES QUESTIONS

Lisbon EXPRESSO in Portuguese 4 Oct 85 p 24

[Text] Political reasons related to the nearness of the elections are thought to be behind the unexpected acceleration of negotiations to acquire three frigates for the navy from West German shipyards. The final decision was submitted to the Council of Ministers at its Wednesday meeting, when contracts for supplying digital exchanges were also awarded to two foreign firms, one of them in the FRG.

Several observers emphasize that coincidence while admitting that the contract for the exchanges may have been used as an "instrument of pressure" to force the West Germans into a final concession in connection with their share of the frigate project.

But civilian and military sources who have kept tabs on the lengthy process of negotiating this project say it is "a bad deal" for Portugal, and they are surprised by the additional obligations to which Portugal has committed itself.

The original project involved about 2 billion marks, but it was found in July that an additional 200 million would be needed. The minister of national defense then worked out a proposal involving the payment by Portugal of only 30 million marks of that amount, with the rest to be covered by the West German Government and by a special credit for the acquisition of military equipment. But since that approach was not feasible, the Portuguese Government was led to commit itself to the payment of an additional 30 million marks, and that is the deal that was reached on Tuesday.

#### Deal Speeded up by Elections

The nearness of election day and the fact that both parties needed to determine their respective costs for budget purposes in both countries probably also carried some weight in accelerating the negotiation process. The result was that after several dilatory maneuvers by Bonn that had gotten it past the successive deadlines set by Lisbon, the Council of Ministers of the outgoing government finally approved the project at its latest meeting.

An official in the Ministry of National Defense says: "It is inevitable that any minister of national defense who takes over here after the election and looks at the dossiers will have to review the matter."

And a highly placed military official says: "But that minister would also have to consult the Armed Forces to learn what is most appropriate for reequipping the navy."

Sources consulted by EXPRESSO concerning this matter said that approval of the project for building those new units was odd, considering that Holland recently offered Portugal three frigates of the Van Speijk class--secondhand but in good condition and equipped for antisubmarine warfare--for a total price of less than 20 million contos.

The original negotiations concerning the frigate project were based on limited Portuguese financial participation, but--say the same sources--that share has now increased significantly, and the benefits Portugal will receive in return are less sizable than was previously intended.

When contacted by EXPRESSO, Minister of National Defense Rui Machete denied that Portugal had made any concessions, but he admitted that Portugal's participation will be greater than originally planned. He said: "But that is normal in a negotiation process."

Despite that, Machete feels that the deal was not unfavorable to Portugal, "which is paying only one-fifth of the total amount involved" (the rest is being borne by the West German Government and the construction consortium). He added that the contract would not be awarded unless the West Germans made offsetting purchases from Portugal.

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ECONOMIC

PORTUGAL

# ECONOMIC WOES AFFECT POLITICALLY IMPORTANT ALENTEJO REGION

Lisbon EXPRESSO in Portuguese 21 Sep 85 p II

[Text] Alentejo, which covers one-third of mainland Portugal, currently has only 6 percent of the resident population and a per capita income that does not exceed one-third of that in the Lisbon region.

A depressed region, Alentejo has experienced a rapid decline in population, and this was especially true in the 1960's, when its share of the total mainland population fell from 9 percent to 7 percent, reflecting a loss of over 190,000 inhabitants--more than one-fourth of the population it had in 1960. The current trend is toward stabilization, although a slight drop was also recorded between 1970 and 1981, the year in which the region's population was about 560,000.

Emigration in the 1960's and the aging of the population explain that decline, the result of which is low population density (20 inhabitants per square kilometers in Alentejo, compared to 105 as the national average) and a decline in the active population, which fell from 228,000 in 1970 to 204,000 in 1981--a drop of over 10 percent, whereas the decline in the region's total population during the same period was less than 2 percent.

Of the approximately 204,000 active inhabitants, 38 percent work in the primary sector, 24 percent in the secondary sector, and 38 percent in the tertiary sector. Prominent in the primary sector is employment in agricultural activities, where the number of active inhabitants fell from 133,000 (59 percent) in 1970 to 78,000 in 1981. This is the sector showing the largest drop in the number of actively employed (a total of 55,000).

The approximately 25,000 unemployed (13 percent of the economically active population) are predominantly young people, women, and agricultural workers, since 10,000 (40 percent) are seeking work for the first time, 70 percent are from agriculture, and 69 percent are women. Vocational training is practically nonexistent, and 34 percent of the inhabitants over 15 years of age cannot read or write.

Alentejo, the country's largest region, is therefore faced with the problems resulting from depopulation, the lack of jobs, and the fact that basic needs are not being met. It nonetheless has great and varied but practically unexploited potentialities. Their exploitation could decisively alter the development of the region and the country.

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ECONOMIC

PORTUGAL

INCREASE IN COST OF LIVING DETAILED

Lisbon TEMPO in Portuguese 20-26 Sep 85 p 1

[Text] Beef today costs about 9.5 times as much as it did in 1976. Frozen fish is 9.3 times more expensive. And tea costs 10.2 times as much today as it did 9 years ago. What about incomes? They certainly have not risen in the same proportion. The national minimum wage this year is 4.8 times higher than in 1976, and in September 1984, the average wage on the mainland, excluding agriculture and a small sector of services, was 3.9 times higher than in 1976.

Since 1977, the National Statistics Institute has published a monthly Consumer Price Index [CPI] covering all the goods and services constituting the bulk of national private consumption in the areas of food and beverages, clothing and footwear, housing costs, and miscellaneous expenses. If we assign a base value of 100 to the corresponding prices in 1976, the total index excluding housing stood at 644.3 in August of this year. This means that the cost of living was 6.443 times higher in that month than the average for 1976. The index for food and beverages stood at 661 points, in the case of clothing and footwear it totaled 589.6, for housing costs it totaled 671.1, and in the case of miscellaneous expenditures, including hygiene and personal care, health, tobacco and smokers' expenses, transportation, communications, education, culture, and entertainment, it stood at 611.1.

Based on the levels reached by the CPI and comparing them to the change in the average wage on the mainland and the national minimum wage, today we offer you an unforgettable trip: through your household budget. We hope you picked up enough strength during your vacation to withstand the powerful emotions that our little trip is going to arouse in you. After all, a case of the blues does not pay the bills.

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ECONOMIC

PORTUGAL

# SETENAVE SHIPYARD SITUATION IMPROVES

Lisbon A TARDE in Portuguese 2 Oct 85 p 13

[Excerpt] SETENAVE [Setubal Shipyard] can face the next 2 or 3 years with some tranquillity. The contracts with Portline and SOPONATA that were signed by the firm yesterday are of extreme importance to SETENAVE's future, said Guedes da Silva, who is part of SETENAVE's management.

SETENAVE is certain of having work until 1988 for the great majority of those who work there, says Guedes da Silva of SETENAVE. The manager says that the contracts that have now been signed (three freighters for Portline and one tanker for SOPONATA) make it possible to give a fairer boost to shipbuilding abroad. SETENAVE will have guaranteed work over the next 3 years for about half the people who work there. The other half will continue to devote itself to shipbuilding, and SETENAVE's management will continue to put forth the same efforts to see that the results achieved last year and this year continue. So far in 1985, incidentally, SETENAVE has already billed as much as it did in all of 1984, and there are still 3 months remaining before the end of the year.

Two big international consortiums are still in the race to supply 3.6 million contos worth of equipment for one of the SOPONATA ships to be built by SETENAVE.

Nunes Correia, deputy chairman of SOPONATA's management council, said that the contract for supplying equipment for the ship would be awarded to the consortium offering "better benefits in exchange," specifically in the form of purchases from the Portuguese shipbuilding and metalworking industries.

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ECONOMIC

PORTUGAL

BRIEFS

TRADE DEFICIT THROUGH JULY--In dollar terms, the trade deficit for the first 7 months of 1985 was down by 40.9 percent in comparison with the same period last year, according to data released yesterday by the National Statistics Institute. That drop in the deficit was due to a 13.2-percent decrease in imports and a 2.6-percent increase in exports. According to the same data, imports totaled about 742.1 million contos, while exports came to around 559.2 million contos, resulting in a deficit of 182.9 million contos. In comparison with the period from January through July of last year, imports were up by 10.4 percent in value, while exports rose by 30.3 percent, resulting in a drop of about 24.7 percent in the deficit. [Text] [Lisbon EXPRESSO in Portuguese 28 Sep 85 p 1] 11798

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ECONOMIC

TURKEY

#### FINANCIAL OFFICES BEING AUTHORIZED TO CLOSE WORK PLACES

Istanbul CUMHURİYET in Turkish 13 Sep 85 pp 1, 13

[Text] Ankara (ANKARA AGENCY) - The tax arrangements made for the purpose of improving the Ozal government's 1986 budget performance includes authorizing financial offices to close work places, it was learned.

Work places identified during inspections as "having caused loss of tax revenues through tax evasion" or "attempting evasion" even if they have not caused loss of revenues may be closed for a period of "1 week" by the province's financial office upon the suggestion of the tax office to which the work place is attached, according to information obtained by an ANKARA AGENCY correspondent.

Amendments to the Tax Procedure Law would make possible the shut-down penalty meted out by financial offices without a court ruling under the following circumstances:

- Work places found twice to have failed to issue vouchers, invoices, shipping bills or cash register receipts,
- To have falsified tax records or altered accounts,
- To have concealed tax records in such a way as to hinder inspection.

#### Court Route Also Open

The "1-week" shut-down penalty for which financial offices would be authorized would not prohibit recourse to the courts in cases of "tax evasion" or "attempted evasion." Court action in the future would be a work place shut-down and imprisonment for 3 months to 3 years for "tax evasion" and work place shut-down and imprisonment for 1 month to 1 year for "attempted evasion."

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ECONOMIC

TURKEY

# REPORTERS INVESTIGATE 'GOLD MOB'

Istanbul CUMHURİYET in Turkish 13 Sep 85 pp 1, 13

[Article by Hakan Kara and Umit Otan: "Gold Mafia!"]

[Text] Izmir - The rise of gold prices in our country to levels higher than the world market in the past 25 days and the subsequent sale to the public by the Central Bank of gold imported from Switzerland has enabled certain people to make unfair profits of between 14 million and 15 million liras a day. This is why lines have been forming at dawn in front of the Istanbul, Ankara and Izmir Central Banks. Citizens who join the lines hoping to buy gold are also being confronted by a "gold mafia."

A person whose identity we will not reveal told us that T.E., a man engaged in gold trade, had bought 70 kilograms of gold ingot for 460 million liras at the Central Bank and within 45 minutes had made 14 million liras on it by selling it to another jeweler. He described the gold mafia that has emerged in recent days as follows:

"The current market price of 22 carat gold is 6,000 liras a gram; 24 carat gold is 6,100 liras a gram. Yet, the Central Bank is selling 24 carat gold for 5,900 liras. Because of this, lines start forming in the early morning hours in front of the Central Bank to buy "cheap gold." The 200-lira difference in a gram of gold is 200,000 liras for a kilogram and 14 million for 70 kilograms. T.E., a person involved in the gold business, gave the first 10 people in line 100 liras each, 1,000 liras, to sell him their places in line and, within 45 minutes, had sold the 70 kilograms of gold that he bought to a jeweler in Istanbul, earning 14 million liras. Since there has not been enough gold to satisfy the market in this exercise, which was initiated by the Central Bank to regulate the gold market and bring prices down, instead of bring prices down it is providing windfall earnings to a particular sector that is involved in the business and has the capital. For anyone who shows his tax card can buy as much gold as he wants. This is what it is like in this thing."

## In Line for Cheap Gold

We have come to the Central Bank at 0430 in the morning to get in the "cheap gold" line to see for ourselves what we had heard. Dawn has not yet broken and there is no line anywhere as we had been told. After a while two people

approach the bank. We are thinking that the line will start and we will be first. However, the two people go over to two cars parked directly across the street. The door of one of the cars opens and we see three people sitting inside. After the two new arrivals talk a while with the ones in the car, they shout in our direction:

"Say, are you going to buy gold?"

"Yes."

"Then put your name on the list."

The two people are talking to us as we approach the cars, with plate numbers 35 PR 117 and 35 SN 587, but leave, and we talk to the people inside the car:

"What list is this?"

One shows me a list he is holding with 157 names on it:

"The list of people who want to buy gold. Write your name at the end."

"But there is no line at the moment and I am the first person who came."

"We came before you did and have been waiting, as you see."

"Okay, there are three of you, so I am fourth in line."

"What are you trying to say, fellow, that you came here the very first day? There are people on this list who have been waiting here for 3 days."

"Who drew up this list?"

"We did."

"Who are you?"

"We are fellow jewelers. We put out the list of people who want to buy gold. Newcomers are added to the end of this list."

"How can this be? The people who come early and wait in line buy gold. Those who are not here go to the end of the line."

"That's what you think. What about these people who have been waiting here for 3 days?"

"Where are these people? Why aren't they getting in line?"

"They will come at 0800. Did you think you could just come here like this and buy gold? They won't sell gold to anyone not on this list anyway. We are organizing it here. So it won't be unfair."

Then they get my name and put it at number 158 on the list. So this is how I got to be 158th in line at 0430 in the morning. The next thing they say is:

"Now don't wait around here with nothing to do. Your turn won't come for a week. Then you can come and buy your gold."

"I think I'll wait."

"Suit yourself."

They close the car door and the three people inside settle down to nap. I notice two people sleeping in the second car parked immediately behind this one. When the first buses start running around 0630, another person comes up in front of the Central Bank. He no sooner sits down on the curb than he asks in a low voice: "Are you on the list?" "Yes," I say. "Then you will wait even longer. I cannot understand this list business. I have been waiting for 3 days and my turn has not come yet. Somebody came yesterday. He bought the places in front, bought a lot of gold and left."

The small square in front of the Central Bank is gradually getting crowded as time goes by.

#### Meeting Time

The person who had put our names on the list in the morning and whose name I learned later was "Mustafa" says to the crowd, now about 400 strong, that meeting time is near. We learn that all of those on the list meet in front of the bank at this hour every morning and take roll call. The roll call is repeated every hour on the hour. My colleague, Umit Otan, and I are pretending not to know each other. His camera attracts attention as it gets light. The crowd is suddenly in a flurry, forming into small groups as he asks questions. Mustafa goes to each group and says, "Don't say anything to the reporter. Don't anyone answer him." Unaware of this, Umit Otan is not getting any answers to his questions. He asks me as well as the others. I neither tell him my name nor answer his questions. Then Mustafa comes over to me. People crowd around us. Mustafa is in a dither and says, "He probably wants to take a picture. Everybody spread out and I will take the list inside. The list is in order. We will come at two to buy gold." He goes into the bank. After a while when we come out he says the list has been approved, but it is necessary that there not be too much crowding at the door. "Just let 30 people stay here to see the director. Don't stand in one place so that if the reporter takes a picture it won't look crowded. Everyone but 30 people immediately disperse." In fact, inside of 15 minutes, there was no one in the square but the 30 people.

Later we went into the Central Bank and talked to an employee:

"I would like to buy gold."

"Sure, but you will have to come at two o'clock and put your name on the list."



"What list?"

"Those who come in the afternoon and wait in line here have supposedly written their names on a list. They just left a little while ago. They came early and got in line. Come at two o'clock and have your name put at the end of the list."

Later we learn from another person who is waiting that the man in the white shirt standing beside the bank is the "financier." When we ask why he is so busy, we get the reply: "There is no tax if you buy less than 1 kilogram of gold. If you buy more you have to pay taxes on it. Sometimes people come and buy 20 or 30 kilograms, but they do not buy it themselves but have others buy it. They all buy one-half kilogram each. This way they get out of paying taxes."

"Mustafa" added us to the list. Mustafa is a jeweler, yet it is necessary for the Central Bank employee to write our name on the list. It is a mess impossible to straighten out.

We say to the teller, "We are 158th, but you did not write it down." He is not concerned at all.

When we get back to the newspaper, we learn that our colleague had been threatened "with death" by four people who surrounded him when he tried to take a picture.

We immediately call the Central Bank. When we explain what happened to the official who takes our call, the answer we get is this:

"There is, in fact, a gold mafia. But what can we do? We cannot take police measures. We are only selling the gold. Everything you have said is true. We could sit down with you and discuss this. But I am a civil servant, so there is nothing we can do but agree with what you say."

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ENERGY

GREECE

## OIL MARKET TO ADHERE TO EEC RULES IN 1986

Athens I KATHIMERINI in Greek 7 Sep 85 p 11

[Text] Beginning on 1 January 1986, our country will conform to the EEC rules concerning the petroleum products market. Yesterday, at the industry minister's meeting with journalists, he presented a plan for a law with which effort will be made to modernize and make more rational the oil business cycle, the target being to serve the needs of the entire society in petroleum products.

Thus, beginning on 1 January 1986, the oil market in our country will be decontrolled. Answering a related question from journalists about what effects this will have on petroleum products prices in our country, Minister of Industry El. Veryvakis said such a thing cannot be estimated at this time and he stressed that a large part of the difference (deficit) has already been covered, implying that the rest will be covered. At any rate, as authoritative sources noted, an increase in petroleum products prices in the first months of 1986 cannot be excluded.

With the draft law--on which the interested agencies will be expressing opinions until 20 September--the market will not be totally decontrolled, as EEC regulations provide, and this may create reactions among enterprises and industries, and probably from the Community. Specifically, state interventions--through the Public Petroleum Corporation [DEP]--will apparently be continued. This is shown, moreover, by Article Three of the draft law, according to which: By decision of the ministers of national economy and finance and industry, energy and technology, or the appropriate minister in each case, DEP may be empowered to exercise one or more of the public's competencies included among the activities of the oil industry, such as exploration, research, production, refining, procurement, distribution, maintaining buffer stocks, etc., of hydrocarbons in general and their products. Articles four to six regulate issues relating to the arrangement, application and disposal of petroleum products in our country.

Article Seven stipulates that the importing of crude oil and its by-products for further processing by the public, and also of finished products, is to occur within the guidelines of the national economy's general interest and its aim is to be smoothly and steadily supplying the Greek market.

In addition, with Article 16 it is stipulated that, by decision of the minister of industry, energy and technology, the country is divided into geographic districts, according to the needs for smoothly supplying the whole country with petroleum products. Finally, Article 18 includes transitional provisions concerning the companies' obligations as relates to their shareholders' capital.

ENERGY

ICELAND

DANISH PAPER: UNINTERRUPTED USSR OIL DELIVERIES TO ICELAND

Reykjavik MORGUNBLADID in Icelandic 6 Oct 85 p 2

[Article: "We Can Expect Unchanged Oil Trade with Russia this Year"]

[Text] It was recently reported in a news item in the Danish newspaper JULLANDSPOSTEN that the Soviet Union has, through a telegraph message of last month to its oil trading partners in Europe, announced that sale of quantities of those crude oils and gasolines that had been planned to be offered for sale from Soviet Black Sea or Baltic ports, has been halted, or the sales have been put off. According to the paper, no explanation was given for the Soviet decision. It was also reported that the Soviet authorities have made it clear that exports of oil from the Soviet Union will not begin again before the spring of 1986.

According to Jon Ogmundur Thormodsson, department chief in the Icelandic Ministry of Foreign Trade, no announcement of this kind has been delivered to the Ministry of Foreign Trade by the Soviet authorities.

Arni Kr. Thorsteinsson of Oil Company Inc. said in an interview with MORGUNBLADID yesterday that the Russians have given no indication that they intend to halt or suspend sales of oil to Iceland. On the contrary, he said that a telegram had come from the Soviets last Monday wherein it was stated that a Soviet tanker would arrive at the Black Sea oil shipment port on 2 October to load oil products ordered by Iceland and deliver them to Iceland. He said that in question were 13,000 loads of automobile gasoline and 7,000 loads of gasoline.

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